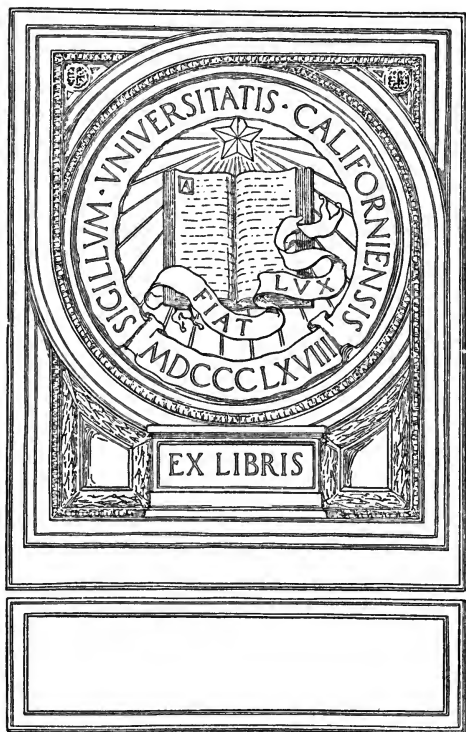
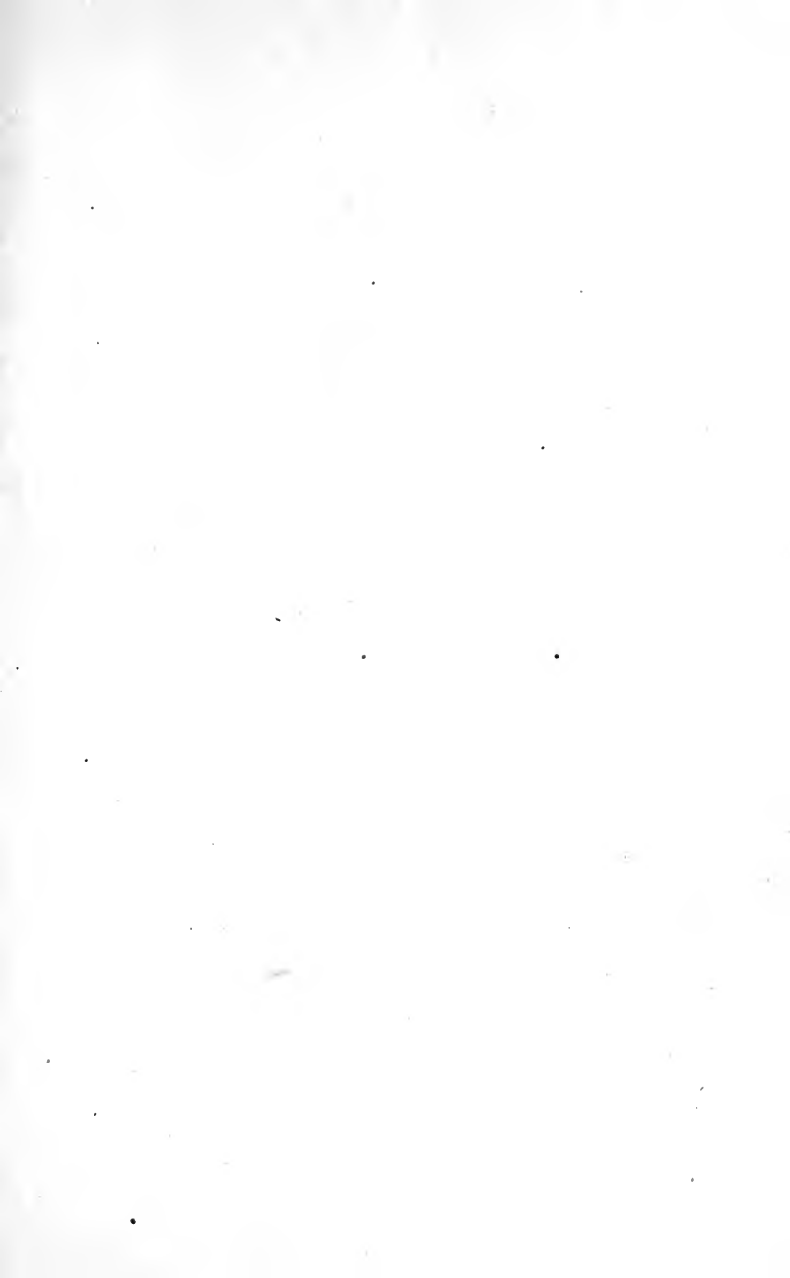


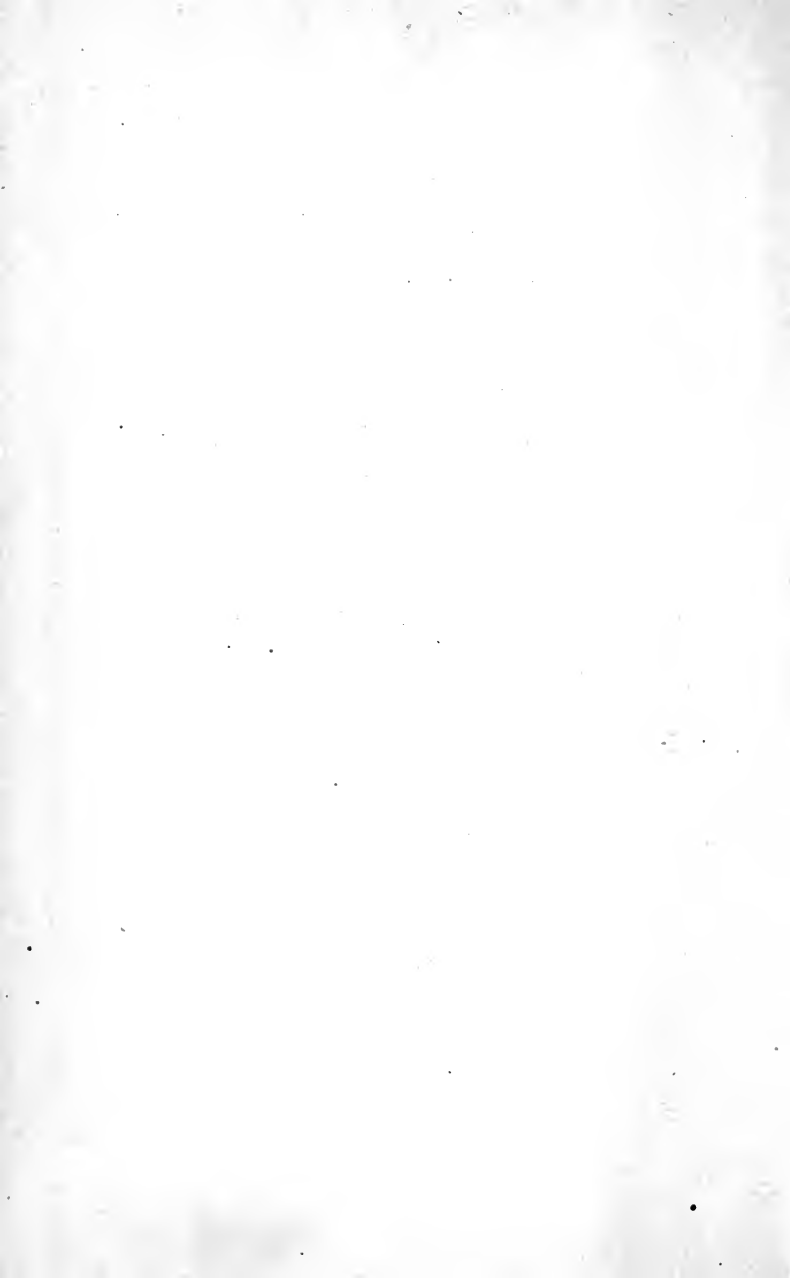
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ADVERTISING—SELLING THE CONSUMER

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Advertising

Selling the Consumer

By
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INTRODUCTION

In the spring of 1910, Dr. Willard R. Hotchkiss asked me to take an evening class in Advertising at the School of Commerce, which the Northwestern University had just established in Chicago.

Grouping the subject matter under ten heads, I devoted one evening to the discussion of each and the class was encouraged to ask questions freely.

The chapters which follow were based upon notes made at these classroom talks and from lectures delivered before the Universities of Chicago, Wisconsin, Michigan, Illinois, Minnesota, and Washington.

The second edition of "Advertising—Selling the Consumer" is practically identical in purpose and scope with the first. Some of the chapters in the first edition have been replaced by editorials on merchandising which I wrote for James Keely, editor of the *Chicago Herald*. As he published them in January, 1916, under his own copyright, his permission to use them here is duly acknowledged.

It is gratifying to note the growing demand for this kind of a book which is an attempt to introduce to earnest, thoughtful men a work which is

CHAPTER I

ADVERTISING CAN APPEAL ONLY TO FREE DOLLARS

THE dollar that buys the absolute essentials—food, clothing, and shelter—is a mortgaged dollar. It must be spent, because the possession of these things is absolutely necessary to existence.

But even these necessities must be merchandised to free dollars if design, style, location, or the form and manner of delivery are determining factors in making specific purchases of them.

Clothing is commonly regarded as a need. Yet a considerable percentage of the clothing business is created by a merchandising instinct which develops the want which it wishes to supply.

Nothing is more artificial than that something which we call style. Style entirely upsets the economist's theory that wealth is the product of raw material and labor. A smart hat to-day contains the same amount of raw material and labor that it did two years ago, or will two years hence. But it was commercially impossible two years ago, and will be impossible two years from now.

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Why? The value of the hat depends entirely upon whether or not it is "in style." It is "in style" if a large enough number of women can be induced to think it is. Changes in style are controlled by the merchandising ability of men and women who profit financially by these frequent changes. Styles are created by those in position to benefit by their acceptance. The ability to create style and get it accepted is a subtle form of salesmanship worthy of careful study.

The freest dollars in the world are those constantly being paid to the individual worker. They are the dollars that are spent only when the workers choose. They are not needed to provide food, shelter, or raiment. They may be deposited in the bank or used to gratify whims. Most of the "necessities" for which they are spent are fancied rather than actual.

When we say "big business" we think of oil, tobacco, beer, moving pictures, newspapers, automobiles. But who can say that any of these kinds of business have been built up by dollars which the consumer had to spend?

It may seem paradoxical, but it is certain that the most strongly entrenched businesses are those which give the consumer's dollars back to him if he is not thoroughly satisfied with his purchase.

If the merchandising of the savings habit were directed as intelligently and prosecuted

as vigorously as is the merchandising of chewing gum, 554 out of every 1,000 (the percentage for Switzerland) citizens of the United States would have savings accounts, instead of our present poor showing, which is only 99 out of every 1,000.

The choice of the possessor of the "free dollar" is the determining factor.

In disposing of the mortgaged dollar the consumer merely hands over to the producer and distributor

money for the necessities of life—having
The Consumer Enjoys Being Cultivated no great amount of satisfaction in their possession—because he has to have them.

But the producer or distributor who wants to get the attention of and sell to the free dollar has to make the consumer positively and actively want what he has to sell.

The consumer has to be "sold" the things he spends his free dollars for. The capture of the free dollar calls for more in the way of inventive genius, organizing ability and persistently skillful catering to the whims, fancies, and sentiments of human beings than anything else in the world.

I cannot see how we can escape two conclusions: (1), that the American people do not need to put a curb on any big business which appeals directly to free dollars; and (2), that any attempt to build a business on the mortgaged dollar alone has within itself elements which will finally destroy it.

For some time Chicagoans have been watching the career of a politician who could go back to his

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constituents every two years, appealing to a free ballot, and secure power, prestige, and preëminence—because he was willing to stand that test continually. This same man made a dismal failure of banking, because he tried to apply to it an entirely different set of principles. The best bank depends upon no political pull for its deposits and considers only genuine merit in making loans.

There is business that can become a parasite, clinging to large, successful enterprises, because somebody thinks that a mortgaged dollar is as valuable and as serviceable as a free one. Many firms do all their own printing, because they are erroneously supposed to save money in that way. An unbiased audit and a correct division of overhead expenses generally show that these excrescences are unprofitable.

*Parasites
Live on
Mortgaged
Dollars*

The practice of business reciprocity, i. e., trading back and forth, has such a hold on some communities that practically all the consumer's dollars are mortgaged.

The retailer who believes that his store ought to be "supported" because he pays taxes and spends his money at home is in a wrong mental attitude for successfully combating mail-order competition, or even for establishing his own business upon a service-to-the-consumer basis. Cities which give free sites or bonuses to manufacturing institutions are doing an injury to the consumer, who must finally pay the cost of all economic waste. A business which can-

not exist without such an artificial stimulus is not profitable to any community.

The publisher who asks for "patronage" instead of merchandising his service on its merits and refusing any income which is not made up of free dollars, is well started on his own toboggan. The merchant who encourages long credits, believing that he can thus force his customers to buy things they would not buy otherwise, is making them less valuable to themselves and is, therefore, curtailing the ultimate expansion of his business.

Twenty-three years ago it was supposed that the wholesale clothing business had to give credits of from four to nine months. The best known clothing house in the world (located in Chicago) started out by giving cash discounts of 7 per cent. This firm soon secured the best dealers, those who discounted their bills, and has built up a tremendous volume of business, having practically no accounts to carry now.

As soon as the executives of this firm were sure that advertising was the most economical form of salesmanship they began to advertise. Within fifteen years advertising multiplied their volume by ten. Their selling expense is lower than that of their competitors, because their salesmen (the best paid in the trade) put all their time on selling and let the advertising do the missionary and follow-up work.

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Business has been bad in the farm implement line where long credits to the farmer and to the dealer have been carried by the manufacturer. Yet one man in every fifteen in Iowa owns an automobile—and from the beginning the manufacturer of automobiles has insisted on having cash before surrendering title to his car.

When the consumers' dollars are free and he and she have in the bank money with which to make purchases, the reflex is best not only on the consumer's mind but also on the service furnished by the retailer and manufacturer.

The manufacturer who advertises can appeal only to the free dollar. The consumer who will take any butter that the dealer chooses to send her, when she orders butter, is buying with a mortgaged dollar; but if she asks for and insists upon having a particular brand of butter, wrapped in a dainty, sanitary carton, an advertised make whose quality she knows and can depend upon, she is spending a free dollar. In the first case she is merely supplying herself with a necessity; in the second instance she is making a choice; her purchase is the result of a want created in her mind by the advertising effort of the maker of that particular brand of butter. She can at all times decide whether or not she will buy, in response to the advertiser's suggestion. The man who advertises knows this.

Big business is possible only so long as it appeals to the free dollar. Big business has been criticised.

The Free Dollar Is the Consumer's Greatest Protection and the Advertiser's Real Opportunity Sometimes the muckrakers and agitators were right—sometimes the dominant spirits of big business have forgotten that the basis of all big business is continuous appeal to free dollars, and never the arbitrary, autocratic use of the power which the free dollar has placed in their hands.

The consumer is best served by the man who will study his needs, the man who will expect to attain and hold supremacy and preëminence only by appealing always to the consumer's free dollars, by the man who will use in the upbuilding, development, and maintenance of his position all that modern merchandising has proved to be efficient.

Advertising gives a manufacturer power to produce trade for the thing he is best equipped to make. It eliminates competition. It creates, forces, persuades, builds. It makes things happen. It is so many-sided that it deserves the attention of each department of every business organization.

Advertising Makes Possible Small Capital and Reduced Selling Cost Advertising produces desire; gratified desire produces habit; and habit produces business.

It does more. It makes sales. The brainy salesman gets a larger field for usefulness and more pay when he coöperates with advertising, and while making more money for himself reduces the cost of selling which includes both personal salesmanship and advertising.

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The man who advertises gets along on less capital and saves on interest charges. That is because a business which advertises is produced more by creating business conditions than by adapting its affairs entirely to them.

Advertising is not material substance. It is service. The true advertiser and the advertising man never forget that space is less important than service. Ideas are paramount. The purpose of an advertisement should be clear and definite. It must be kept in mind constantly during the planning and execution of the details by which it is to be affected. Space, type, words, and pictures are merely tools which the master workman uses in expressing an idea. The finished work of an advertiser is not a material substance which can be seen with eyes and touched with hands, but a definite, positive impression in the minds of possible buyers which is reflected in the voluntary purchase of the goods which the advertiser wishes to sell.

*Advertising
Not a
Material
Substance
but Ser-
vice to a
Group*

REFERENCES ON CHAPTER I

"Advertising as a Business Force," 1913 (Doubleday, Page & Company, Garden City, N. Y.), and "The Advertising Book," 1915, are up-to-the-minute reviews and compilations by Paul Terry Cherington, instructor in commercial organization in the Graduate School of Business Administration, Harvard University. They deserve careful study because

they show how present-day advertising impresses a thoughtful onlooker.

"The Science of Advertising," 1910 (Duffield & Company, New York), by Edwin Balmer, with the counsel of Thomas Balmer, is a book of illuminating analysis based on concrete experiences and established principles. It is both informative and thought stimulating.

"The Library of Advertising," seven volumes, 1911 (Cree Publishing Company, Chicago), compiled by A. P. Johnson, presents the views of sixty-four men who have made good in the various phases of advertising. As a whole, the books contain much valuable information, and will give the student food for thought for some time if he attempts to reconcile conflicting opinions.

"Modern Advertising," 1905 (D. Appleton & Company, New York), by Calkins and Holden, contains much illuminating historical matter, and was up to date in every particular when it was printed. The advance in the advertising business within ten years can be measured by reading it carefully, and comparing it with "The Advertising Business" by Earnest Elmo Calkins (D. Appleton & Company, 1915).

A well-equipped advertising library would contain all the issues of *Printers' Ink* (weekly), *Advertising and Selling* (monthly), the *Mail Order Journal* (monthly), and *Standard Advertising* (monthly). These publications must be read regularly, if one is to keep up to date. They cover the field admirably.

CHAPTER II

HOW MARKETS BENEFIT BOTH CONSUMER AND PRODUCER

A GRAPHIC demonstration of the value of markets is given any man who hunts big game in the Canadian wilds. His day's labor, to use the economist's phraseology, goes into the transportation of himself and his supplies.

Possibly only a few miles are covered each day. There are no mills or factories at which he could market his labor for money with which to buy transportation, at two cents a mile on steam railroads, or five cents for as many as eight miles on street cars. Rail-

*The Mar-
kets Based
on the
Group*

roads and street cars are markets where transportation is offered for sale. Neither are there stores close at hand, to supply him with clothing, nor hotels—which market shelter and food. He carries his physical strength and his brain with him into the woods, but he can scarcely command sustenance with them. The nearer the laborer lives to highly developed markets, the greater the variety and abundance of comforts and luxuries his output will command.

It is no uncommon experience for a man to find food-products selling, in the section where they are produced, for the same price they bring on South Water Street, Chicago. This is because South Water Street is a highly developed and specialized market. Fruits and vegetables flow to it as naturally as the magnetic needle points to the North Pole.

The producer of merchandise must also arrange for displaying it in places to which he can constantly draw the patronage of a group of persons of similar tastes and habits and adequate purchasing power.

A market is simply a group of purchasers who regularly seek the same type of goods.

The numerical strength of the buying group is a most important factor in the service that the market is able to render to the individuals comprising it.

A lawyer, physician, or architect may have unsurpassed ability, knowledge, and training, but without

Professional Services Enhanced by the Group a group of people who appreciate and will pay for his work, his capacity for service benefits neither himself nor others. He must find a market for what he can deliver—a group of people who think alike to the extent that they appreciate and value his work and possess the means to purchase it from him. The larger the group he serves, the more expert he becomes, and the more he can charge for his services without contracting his market to a point where his full output, in time and energy, would not be entirely used.

A bank is a market that sells the use of money. It

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does not sell money itself, but merely the service rendered by money. It buys the use of other people's money by acting as custodian of it, or in some cases by paying a smaller rent to depositors for their money than is charged those who borrow it.

The larger the groups of depositors and borrowers, the larger the market, i. e., the bank. Depositors *think alike* in that they possess confidence in the bank as a buyer of the use of their money; borrowers think alike in preferring to rent money from a particular bank.

The market for a young man's ability grows as rapidly as the number of employers increases who know he possesses the qualities they esteem in an employee. The possibility of profiting by his market is governed in part by his ability to think accurately and to make his thoughts control his acts. Even if his competitors are many, he can, unless the number greatly exceeds the demand, or he concedes equality by joining a labor union, or admits that the buyer's estimate of his value is better than his own, command a better price than others who apparently perform the work as well as he is capable of doing.

It is this ability to get others to accept one's own estimate of value that is called salesmanship. It differentiates the highly successful from the ordinary and mediocre. It is the only power the individual has by which to develop a degree of influence which approaches control of his market.

*Marketing
a Young
Man's
Time*

When we come to consider the manufacturer who caters to an established market, we find that price is a powerful factor. Price is not a measure of intrinsic value, but it is the determinant when the buyer has a choice of products that are apparently of equal merit.

*The Buyer
Not an
Expert
Judge of
Intrinsic
Values*

Economies in production, due to the development of the factory system, have made price an important factor in the control of markets. But a low price will not cause the buyer to select the cheaper of two articles unless he is also convinced that they are of the same quality.

It is not safe for the producer to make price a determining factor, unless the thought of equal quality is constantly associated with it.

Few consumers buy on the basis of intrinsic value. Sentiment, rather than logic, is the impulse in most purchases of the consumer. It is right that this should be so, because satisfaction is a sentiment. The measure of value in all commercial transactions is the satisfaction to the buyer.

If a woman thinks she wants an exact duplicate of the sewing machine her mother used twenty-five years ago, she would be much better satisfied with it than she would with the latest model, unless she is first "sold" on the improvements in the new machine, and is convinced that her mother would have preferred the modern article if she could have seen it. The wise salesman says less about mechanical features, as

*Sentiment
Is the Basis
of Satis-
faction*

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such, and more about how much work the new machine would have saved her mother. This makes the present-day purchase satisfactory, and valuable to the buyer because it is satisfactory.

The purchasing power of a dollar has been increased enormously by manufacturers who compete on a price basis. But price competition, without responsibility to the consumer for quality, is disastrous to both the maker and the consumer.

Price competition, with full responsibility to the consumer, conserves the manufacturer's self-respect and is truly service to the consumer.

But the manufacturer who lets another make his prices for him, and meets this condition by cheapening the quality, destroys his own self-respect and positively injures the consumer by greatly increasing the cost of service to him. This is always the case where merchandise fails to measure up to a quality standard.

*Disaster
Follows
Price
Competition*

No shrewd business man defends competition based on price alone as advantageous either to consumer or producer. The whole service idea of a market is destroyed unless both producer and consumer are benefited.

Competition on quality and on service widen the market and benefit both the final buyer and the producer. Competition on quality and service is impossible without salesmanship. No salesman is required to move goods on a price basis. But expert

salesmanship is absolutely essential where the consumer has to be taught to appreciate quality and where a market has to be developed and service maintained.

It is the introduction of salesmanship into markets that has greatly broadened their scope and has given to those who employed it the greatest degree of influence. Hence it has become almost an axiom that the man who can make sales in the market is a much more important factor than the man who produces the goods.

No salesman is worthy of the name until, by giving satisfactory service, he has developed a group of customers who accept his judgment as superior to their own.

*The Sales-
man's
Judgment
Must Be
Respected*

The organization and maintenance of this group constitute the whole value of the salesman. With a group behind him, he has a much surer position in the market than the producer has, who must either take any price offered or employ the services of a salesman. The ideal condition, for the producer, is to develop within himself the ability to get and hold a group of buyers to whom his name is a guarantee of satisfaction.

The men who influence or control the market are the men who individually profit most by contact with it.

For instance, the Chicago Board of Trade and the New York Stock Exchange are highly developed markets for traffic in the public's savings. The men

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who manipulate are the real money-makers. They take toll from the farmer and the maker of securities. They charge the buyer for the privilege of buying. Yet they unquestionably render a service to the general public. An uncontrolled market reflects caprice, fear, or overconfidence—all factors that retard rather than develop real service to producer and consumer.

Some years ago a speculator on the Chicago Board of Trade noticed that wheat was being shipped out of the United States, and he was sure that within a few months it would be needed here to prevent famine. His purchases arrested exports. As it was, he caught Kansas wheat on its way to our Atlantic ports. Eventually it was shipped back to Kansas flour mills. Had he not controlled the market, this wheat would have been exported. Its return to us would have entailed a vast amount of otherwise unnecessary labor and expense, and would have sent the price of flour to almost prohibitive figures.

A ready market which yields cash to the farmer increases his purchasing power. His day's work buys more for him than he could get by exchanging his produce for the product of another's unsupervised labor.

Market control can be harmful, but only when the man in power abuses the confidence reposed in him. And if he does, he will ultimately fail. Control is better than chaos, and most leaders recognize

that they must maintain the confidence of the group which makes their position possible.

A bad man anywhere—in the pulpit, on the bench, in Congress, or in business—does harm. But the control of markets by men who may have no other purpose than making money benefits the public. Men who exercise power must be forced to accept responsibility for what they do. Publicity will insure this.

Because our markets are so large, we scarcely realize how dependent upon each other producers and consumers are. The processes of distribution are so involved that consumer and producer seldom come into personal contact. The middleman—the man who influences and often controls the market—sometimes exacts more than his service is worth. I believe that this condition can be largely done away with.

*Publicity
Will Cor-
rect All
Evils of
Market
Control*

First, the producer must recognize his responsibility to the consumer. He can never do this if he considers price only.

The Welch Grape Juice Company paid \$10 per ton for grapes in 1897, and \$35 in 1914. They have paid a constantly increasing price because they wanted better grapes, so as to maintain the highest possible standard of quality in Welch's Grape Juice.

I know of farms in Iowa that are now worth three and four times their original value per acre, because their owners have been taught how to raise better

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cucumbers, cucumbers that bring a higher price in the market. The H. J. Heinz Co. has gladly paid the higher price, because they can give the consumer a better quality of pickles.

In 1914 Armour & Company paid nearly three times as much for live cattle as they did twenty-five years before. Railroads and packers operate on smaller margins. The farmer got the increased price. Volume explains the increased earnings which made internal economies possible.

A feeling of responsibility prompts the producer to lend his name to his product, because it protects the consumer. Loyal consumer groups built up in this way constitute the finest markets in the world, because they are controlled by the man who created them.

*Consumers
Should Prefer
Goods
Bearing the
Producer's
Trade-
mark*

A manufacturer can determine what his market costs him, by subtracting his selling price from the price to the consumer.

An underwear manufacturer who gets \$7 per dozen suits pays \$5 to the men who control the market if the consumer pays \$12 for them. By directing how this \$5 shall be spent, it is possible for the producer to exercise control in the market, to give increased service to the distributor who coöperates in the more economical plan of distribution, and to the consumer. He can do this without increasing the price to the consumer.

A manufacturer who has no control in the market in which his goods are distributed is in danger, and

surely should find out at once what salesmanship and advertising could do for him and for his real customer,

The Dangerous Position of Some Manufacturers the consumer. The consumer should and will welcome the producer's advertised acceptance of responsibility for quality and the service for which he pays.

As I will show in later chapters, I do not advocate any radical change in market conditions, but I do know and am sure I will prove that a distributor serves best himself and all with whom he comes in contact by concentrating on distribution. Manufacturers who will not accept responsibility for the quality of their product, and those who fail to let the consumer know, by advertising, that they do, are giving competition a chance to manipulate market conditions, to the detriment of producer, distributor, and consumer.

REFERENCES ON CHAPTER II

Mr. George E. Roberts, formerly Director of the Mint, and now Assistant to the President of the National City Bank of New York, has clearly expounded the value of accumulated wealth to organized society in an article entitled "The Investment Fund."

Mr. Roberts demonstrates conclusively that there would be no advantage in the private ownership of capital unless there were well-organized groups of borrowers to make use of it.

The benefit to the borrowers in having access

to accumulated capital in the form of "The Investment Fund" is exactly the same as the individual in his dual relation of producer and consumer to organized markets.

Mr. Roberts pertinently says: "If it is admitted that all the members of the community as consumers derive benefits from the increasing production of goods, let us now turn and see how much benefit the capitalist derives from owning the equipment. Can he absorb any benefits except in the same capacity, i. e., as a consumer? Evidently not. It is true that he will probably consume on a larger scale than his employee. He may live in a larger house, keep an automobile, travel abroad, and spend more on his table and in many other ways. But these expenditures, representing consumption, include the only part of his income that is devoted to himself. All the rest of it is added to the investment fund, in which it is now agreed the entire community is interested."

Mr. Roberts will send copies of "The Investment Fund" to any reader of this book who writes him direct.

In various speeches before the Interstate Commerce Commission, 1901-1911, Louis D. Brandeis constantly inveighed against any increase in railroad rates, claiming that the railroads could increase their profits by eliminating useless motion. His book, "Other People's Money" (Frederick A. Stokes Company, New York, 1914), is a most interesting study of leadership in the creation and manipulation of

groups in American business life during the past twenty years. Not many persons will accept at par all that Mr. Brandeis says, but the story of this man's business career is well worth the attention of every student of advertising. His optimism is refreshing. He *believes in the people*, in their good judgment when facts are placed before them, and in their capacity for proper action when the reasons are explained. He expects that new leaders will arise who will accomplish great things for all of us by an appeal to the group spirit. Mr. Brandeis affirms that power to dominate a group can be retained only so long as its individual members truly profit thereby.

The following quotation is a characteristic summing up of his views as to the value of markets and the effect of publicity upon them:

"Every great distributor of merchandise knows the obstacles which he had to overcome before success was attained; and the large sums that had to be invested in opening and preparing a market. Individual concerns have spent millions in wise publicity, and have ultimately reaped immense profits when the market was won. Cities must take their lessons from these great distributors. Cities must be ready to study the problem and to spend prudently for proper publicity work."

Van Antwerp's "Stock Exchange from Within" (Doubleday, Page & Co.) explains fully how the control of the Stock Exchange market makes for stability and public advantage.

CHAPTER III

SALESMANSHIP IS SERVICE

TO EVERY human being comes the opportunity and the responsibility for salesmanship.

None of us can achieve success without the coöperation of others.

The successful parent does not say to his child, "Never do that again!" with the added inference "because I say that you must not." Instead, the wise father "sells" his ideas and ideals to his child, thereby getting intelligent and enthusiastic coöperation.

That man will surely be a failure who will not make the effort necessary to get others to accept his views about matters on which he needs their help.

Men Succeed as They Are Able to Induce Others to Accept Their Views

None of us can be absolutely independent.

To be able to get others to accept your ideas about something which benefits you (and fair play demands that you share this benefit with them) is the essence of salesmanship.

Ability and ability to sell it = success. Salesmanship is the ability to persuade others to accept you at your own estimate, the estimate upon which you

can continue to "make good." This is as precise a definition of salesmanship as I am able to frame. As applied to merchandise, it needs only a change of terms, not of essence.

Salesmanship is persuading your man to buy what you have to sell at a price which means permanent satisfaction to him and a profitable compensation for you.

Advertising is organized salesmanship. As the modern shoe factory has supplanted the cobbler, so the use of words, pictures, type, printing plates, paper, and printers' ink have given to salesmanship an impetus, a scope, and a dominion which it could never have had otherwise.

*Advertising
Is Organ-
ized Sales-
manship*

Any one who has the selling instinct, and a reasonable amount of experience, can increase the value of his own service and that of the goods he handles, by just the amount of time, thought, and energy he puts into selling them.

To many men the word "selling" means unnecessary inflation of prices, an added tax upon the consumer, and taking advantage of the ignorance of buyers. The trend of modern sales development, however, is to give to the buyer more and more actual service. The only salesman who may feel safely entrenched is the one who makes sure that everything he does counts in service to the consumer. By adapting his merchandise to the needs of

*The Most
Successful
Salesman
Is He Who
Gives His
Customer
the Most
Service*

his trade, he can easily build for himself a substantial following. If he will study their individuality, he can influence the mental attitude of prospective purchasers with regard to the articles which make up his employer's stock. Unless he can do this, unless he can create for himself a clientele which will come back to him again and again, his employer cannot afford to keep him.

Obviously the state of mind of the purchaser is a weighty factor in determining the value of the article he buys. For example—the intrinsic worth of millinery does not change at all from year to year; but its value fluctuates constantly, because fashion, which is the mental attitude of the buying group, changes.

A certain salesman sells you a hat, a suit of clothes, or a piece of furniture in such a way that it affords you a great deal more satisfaction than would the same article bought from another salesman. Some who pretend to be salesmen lose sales because they do not know how to present to the prospective purchaser the merits of their wares. The intelligent salesman knows that we all buy things because the possession of them gives us a definite kind of satisfaction; he knows, too, that lacking a convinced state of mind with reference to the article purchased, there can be no satisfaction.

*The Intelligent
Salesman
Appreciates
That His
Responsibility Does
Not End
with the
Sale*

The salesman's opportunity to give the customer actual service becomes more apparent when we con-

sider the selling of a kitchen range, a sewing machine, or an automobile. Here he can demonstrate to the prospective purchaser that the construction and method of operation of the range, sewing machine, or automobile will give him economical and adequate service. In the last analysis, the man who buys an automobile buys so many hours of pleasurable transportation, or so many miles of dependable locomotion. It is certain that the salesman who teaches the buyer how to use his automobile to the best advantage increases its life and materially decreases the cost per hour or per mile of the service purchased.

*The
Service
That Merchants Give
More Attractive
Than the
Goods*

The traveling salesman who calls on dealers eventually becomes a competent counsellor on merchandising, financing, and trade-building. One sees why a dealer might pay such a man more for merchandise than he would pay to another, and still be better off both in the matter of aggregate sales and profits, and more permanent business.

*Merchandise Plus
Advice and
Ideas More Valuable
Than Merchandise
Alone*

The salesman has made himself indispensable who knows he *earns*, in positive service to the buyer, every cent he receives from his employer. He will never be laid off. Every salesman who aspires to be something more than a necessary link between buyer and seller must realize that his salary and expenses are included in every sale he makes, and that he is either a burden or a benefit to the consumer.

The clerk who renders the buyer definite service, and has this clearly in mind has taken the first step toward something better. Once the elements of his own service to the buyer are clearly outlined, he is fired with ambition to do just such work for more buyers—more than he can wait upon personally. This means that he soon needs assistants to whom he may delegate a share of his duties.

To such men advertising appeals. They see its relationship to modern business methods.

Advertising is systematized selling. Prospective purchasers are influenced in groups. They may not be aware that they are being reached and influenced in a wholesale way and that the force which is changing their mental attitude is accomplishing similar results with many others at the same time. In fact, the chances are, if the advertising has been properly planned, that each individual will think he has been singled out for special attention; or, better still, that he has, without outside suggestion, decided himself to do this certain thing.

The best salesman uses suggestion in his work. He strives to leave with the purchaser the impression that the article has been bought voluntarily, rather than that he has been persuaded to buy. He uses advertising in the same way. He values his self-respect (the one complete satisfaction), and would refuse to lend his ability to the furtherance of

*Advertising
Is Service
Salesman-
ship Di-
rected at a
Group*

*Advertising
Should
Create
Desires
That Bene-
fit the
Consumer*

any plan which would not benefit the final purchaser.

This does not mean that salesmanship and advertising cannot be, or have not been, used by men who did not have the welfare of their fellow men at heart. But it does mean that the man who analyzes his work, who studies his opportunities, who desires to attain for himself the best satisfactions and to keep his self-respect will use his ability to sell (and his powerful selling helper, advertising), for the good of all with whom he comes in contact.

Men who have studied newspaper and magazine advertising for the last twenty-five years note with great satisfaction the constantly increasing number of publishers who realize that advertising should serve rather than exploit the subscriber. Advertising space was originally a by-product of the publishing business. The publisher looked primarily to the subscriber for his compensation and was concerned (1) with organizing a group of people who would take regularly and pay for his publication, (2) with collecting, writing, and illustrating the reading matter to be used, and (3) with the mechanical, financial, and executive problems which he must handle in the course of buying paper, putting the reading matter into type, turning the presses, and distributing the publications produced thereon.

For many years advertising remained a mystery to publishers. They knew there were people ready

*Publishers
Fast
Realizing
Their Re-
sponsibility
to Readers*

to buy space. But most of them believed (since the reader knows that reading and advertising matter are two separate things, the publisher being responsible for the former, and the advertiser for the latter) that they (the publishers) had no responsibility to the subscriber if the advertiser's name appeared beneath his announcement.

*The Days
of Advertising
"Mystery" and
Fake
Advertising
Fast
Passing*

This condition was a loophole through which the unscrupulous preyed upon and exploited the reader. All sorts of fake medical, disastrous financial, and unreliable merchandising schemes were put upon the market, and they paid—in dollars and cents—because their authors possessed a shrewd knowledge of human nature, and ability to write profitable advertising copy.

The general magazines are given credit for being the first to "clean up." But I know newspaper publishers, in both large and small cities, who for nearly half a century have refused to carry in their advertising columns the announcement of any business in which they would not be willing to engage.

Publishers and advertisers are recognizing that the complete confidence of the subscriber is the one sure foundation on which to build a successful magazine, newspaper, or class publication. Anything which weakens it reduces the publisher's capital. The reader may not be aware that his confidence has increased or diminished. But it is certain that depend-

*Censorship
of Advertising
a
Necessary
Service*

able, trustworthy news, editorial and advertising announcements, add to confidence slowly but constantly, and that unreliability cuts it down rapidly.

Of late even the announcements of businesses which are thoroughly reliable are censored, to make certain that they contain nothing which in any wise reflects upon their competitors. Publishers take the stand that the buyer's confidence in advertising as a whole cannot be held if one advertiser is allowed to discredit another.

This is a very encouraging development of the service idea, a most satisfactory indication that during the coming twenty-five years advertising is to be a much more important factor in reducing the cost of production and distribution, and in raising the standard of merchandise and human service, than it has been during the last quarter of a century.

REFERENCES ON CHAPTER III

Walter D. Moody's "Men Who Sell Things," 1907 (A. C. McClurg & Company, Chicago) supplements this chapter admirably. It is inspiring, informative, and practical.

In "Influencing Men in Business," 1911 (The Ronald Press Company, New York), Professor Walter Dill Scott, of Northwestern University, presents the results of scientific tests which bear out the conclusions reached by experienced and thoughtful salesmen. Professor Scott has written several other books. All of them deal with his method of testing

the laws of mental action in his laboratory, and the results he has observed. All are worth careful study.

Mr. A. F. Sheldon has written much and thoughtfully about salesmanship. He has made a sincere effort to segregate the various elements which produce successful sales, and to explain the laws which govern them in a correspondence course (The Sheldon School, Chicago), which one is required to take in order to secure his text-books.

Mr. Sheldon claims every sale takes place in the buyer's mind, and the processes through which his mind passes and which the successful salesman intelligently stimulates are (1) Attention, (2) Interest, (3) Desire, (4) Conviction. Conviction automatically arouses the buying impulse to action, forcing the lips to say the words and the hands to open the purse strings and thus complete the sale. *The Business Philosopher*, published at Aera, Illinois monthly contains Mr. Sheldon's latest thoughts.

CHAPTER IV

HOW THE SALESMAN BECOMES A PRODUCER

THE retailer's heaviest cost item is for labor. The largest part of distribution is labor. The big rewards in business go to the men who can plan, systematize and manage to get the maximum result with a minimum of labor. The growth of a store which relies upon its sales force to educate each individual customer will be slow, and it will be limited by the ability or inability of the management to develop in its clerks salesmanship of the highest type.

The man behind the counter should know the advertising which his firm is doing; also he ought to understand the advertising of trademarked brands, nationally known, which are part of the stocks he sells. Many people who have considered advertising only superficially think, that it limits the opportunities of personal salesmanship. On the contrary, it increases them. Salesmanship is that quality in a man which enables him to get others to accept him at his own valuation. Every leader is a salesman. He has "sold" his group, which is the constant expression

*Personal
Salesman-
ship En-
hanced by
Advertising*

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of his power, on his ideas. Every merchant is a warehouseman plus the ability to bring to his store people who will accept his estimate of the value of the goods displayed there.

Granted that what people think about what they buy is the most important factor in determining its value to them, ability to create a favorable state of mind must find a permanent place in every successful merchandising plan. Modern merchandising believes that the salesman's time is too valuable to be spent in doing work that an advertisement can do, and that the salesman who coöperates with advertising and specializes in doing those things which an advertisement cannot do is more efficient than the man who attempts to divide his activities.

If we grant that present day business is a traffic in satisfactions, that goods are bought because the purchaser has been put in and is maintained in a favorable state of mind regarding them, then the work of the salesman must always be regarded as productive.

*The Sales-
man Pro-
duces
Satisfactions
—the Es-
sence of
Real Values*

Consider the retail shoe salesman as a case in point. The manufacturer selects his leather and decides upon a correct design. The shoes are made by his expert workmen and shipped to the jobber, who resells them to the retailer as a result of the business-building talks of the jobber's salesman.

But the shoes have not been sold until they have been fitted to the consumer's feet. There is nothing

which calls for more judgment, tact, and actual service ability than does the fitting of a pair of 6-C shoes on a woman who asks for a 3-A. No matter what the customer asks for, the salesman must see that she gets a shoe which will give her the satisfaction she honestly craves. He cannot do this as it should be done if he deceives her in any way.

A shoe that does not fit has back of it all that its maker, the jobber and the retailer can do, just as has a shoe that gives absolute comfort and thorough satisfaction. The difference is wholly a matter of salesmanship. It depends upon whether or not an adjustment between the foot and the shoe has been properly made by the intelligence, tact and good judgment of the salesman.

The consumer does not buy leather or labor when she buys shoes. The essence of her purchase is satisfactory service. The consumer buys satisfaction. The salesman delivers satisfaction. This makes him a producer.

Some time ago, at an automobile manufacturer's sales meeting, the president of the company said that the best salesman they had ever had, the man who sold the most cars in any given period of time, had involved them in so many difficulties and adjustments that he was unprofitable. Half an hour later a North Carolina dealer was introduced by his field manager with this remark: "In this man's territory

*Satisfactory
Shoes Are
Produced
by Sales-
men as Well
as by Shoe-
makers*

we never have any kicks, difficulties, troubles or adjustments."

When it came my turn to talk I asked whether "the best salesman they had ever had" and the North Carolina dealer had handled the same model and design. Yes, the cars were the same. Had the North Carolina dealer made any changes in the cars before he delivered them to his customers? No; he merely inspected them.

*Identical
Automobiles Have
Radically
Different
Reputations*

It occurred to me that the difference must be in the state of mind of the purchasers. So I asked this dealer to tell me exactly how he sold his cars. His reply contained the concentrated essence of successful salesmanship, and proved that the true salesman is second to no other factor in production.

He said: "I never allow a man to take a car off my floor until I am sure he knows how to run it and meet every emergency which might arise in its everyday use. The fact that he thinks he knows how to run it isn't enough for me—I've got to know that he knows."

In working out merchandising plans for customers I have had many conferences with traveling salesmen and retail clerks, the object being to "sell" them on the advantage to them of understanding and coöperating with the advertising plan installed in the business by which they were employed. Often I have told them stories of my own experiences.

*How a
Paper
Salesman
Made His
Goods More
Valuable*

When I managed a printing office in connection

with a newspaper which my father and I owned in Iowa I bought all paper from one salesman, who offered me nothing better in price or quality than did at least eight others who called on me regularly. This salesman was constantly on the lookout for me when he was visiting in other cities, finding out what merchants, manufacturers, doctors, dentists, lawyers, and commission men were using in the way of printed matter. Whenever he could get hold of them he mailed me samples, which gave me ideas with which to solicit people in the same line of business in our town. Most of them had never thought of using printing, but they were pretty generally interested in the specific suggestions I gave them.

I could not escape the conclusion that this salesman's goods were worth more to me than any competitive article of the same quality could be, even at a much lower price.

A range manufacturer who started in business by selling stoves to farmers from a wagon in which he went from farm to farm told me how he had convinced a dealer in Bloomington, Ill., that price has little to do with sales. This dealer was an old-time friend of his. So when he began to manufacture ranges he sent the Bloomington dealer three of them. The dealer put them in the front of the store and instructed his clerks to show them to all callers. But at the end of twelve months he had sold only one. He wrote the manufacturer that the

*A Dealer
in Ranges
with 29
Years' Ex-
perience
Learns
Something
New*

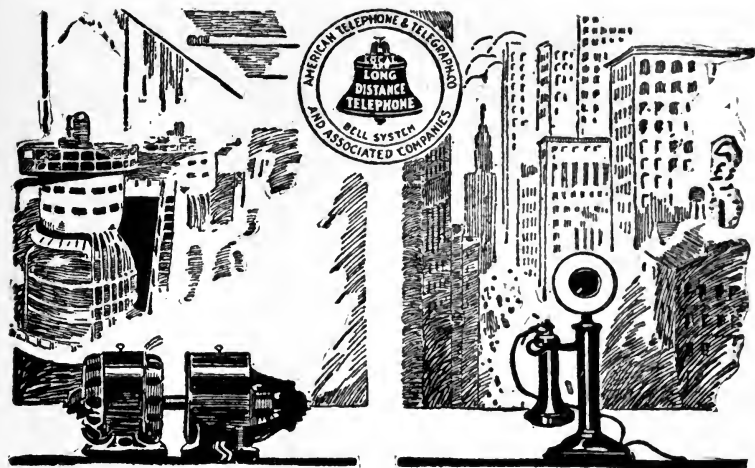
people of Bloomington would not pay such a high price for a range. He knew, because he had been in business there twenty-nine years and had the leading store.

The manufacturer went to Bloomington. While he was in the store the first morning after his arrival a woman entered and asked to see a kitchen stove. A clerk led her to the two ranges in the front of the store. She asked the price. The clerk was about to tell her when the manufacturer stepped up and told her that she had never seen ranges like these before. He opened one of the oven doors, which dropped on hinges, and stood on it. He assured the woman that this range would be giving useful service long after she and he had been laid away. He kept telling her what the range would do. He knew that she was a good cook, for if she weren't she wouldn't be looking at such things as ranges herself. What he would like better than anything else, he told her, was to get her permission to install that range in her kitchen that day, so that she could give her husband the finest biscuits for supper that he had ever eaten.

When she mildly questioned the possibility of having the range up in time to use it that night he ordered the stove to be delivered immediately and said that he personally would see that it was put up.

*What a
Range Will
Do and Not
What It
Cost to Pro-
duce Deter-
mines Its
Value*

Then she remembered that she had not yet found out what the price was. He told her that she would, of course, have to pay



The Energizer of Business

In a metropolitan power-house there must be generators large enough to furnish millions of lights and provide electrical current for thousands of cars and factories.

Each monster machine with the power of tens of thousands of horses is energized by an unobtrusive little dynamo, which is technically known as an "exciter."

This exciter by its electric impulse through all the coils of the

generator brings the whole mechanism into life and activity.

A similar service is performed for the great agencies of business and industry by the telephones of the Bell System. They carry the currents of communication everywhere to energize our intricate social and business mechanism.

United for universal service, Bell Telephones give maximum efficiency to the big generators of production and commerce.

**AMERICAN TELEPHONE AND TELEGRAPH COMPANY
AND ASSOCIATED COMPANIES**

One Policy

One System

Universal Service

It is not necessary to parboil "Swift's Premium Ham"

before broiling or
frying for it is
given a mild
sugar cure and
smoked over
hardwood fires.
Each process is
carried to a point
that gives exactly
the right flavor.

Order
"Swift's Premium" Ham

Swift & Company
U.S.A.



more for such a remarkable range than for just an ordinary one. But the difference was so little in consideration of the service she was going to get that he knew she would be glad to pay it. And she was.

By using the local newspapers to bring people into the store to see a demonstration of the range in actual use this manufacturer in thirty days sold more than a carload of ranges for the dealer who had been unable to dispose of more than one in a year.

I believe the best service is rendered where the salesman and the consumer who prefers to buy from him understand that it is the salesman's knowledge of what the customer needs that makes the goods he buys satisfactory. The consumer does not usually know this. Most buyers think they are using their own judgment, and they would scarcely admit that their favorite salesman knows better than they what will satisfy them.

REFERENCES ON CHAPTER IV

In a two-volume work, "Principles of Economics," 1912 (The Macmillan Company, New York, F. W. Taussig), Henry Lee, Professor of Economics in Harvard University, has defined the creative power of salesmanship in the clearest and most satisfactory manner (page 22, Vol. 1): "All those whose labors satisfy wants—all those who bring about satisfaction or utilities—are to be reckoned as taking part

in production, and are to be called productive laborers. . . . So long as a person who buys a thing or pays for a service really *desires* it, the labor which yields him the satisfaction is productive." These two volumes, in clear and concise English, are very easily read and will help you tremendously in clarifying your own convictions. Professor Tausig understands the group spirit, because he says (page 30, Vol. 1); "It is strictly true that the workers in a modern society combine in bringing about a joint output; but the consciousness of coöperation is lost."

In "Concentration and Control," 1912 (the Macmillan Company, New York City), Charles R. Van Hise, president of the University of Wisconsin, discusses at considerable length the debasing effects of price competition as compared with the splendid results which the other two kinds of competition—namely, quality and service competition—get for us.

CHAPTER V

ADVERTISING IS SELLING THE GROUP

GRANTED that a salesman is one who can get other people to accept his estimate of the value of the article he offers for sale (his valuation to include the value of the article itself plus the value of his service to the customer), how long do you think he will be content to appeal to only one buyer at a time? Certainly the moment he becomes aware of his ability he will want to accomplish results in a larger and broader way.

The distinction between a merchant and a storekeeper depends entirely upon the degree of salesmanship possessed by the former. Theoretically both handle goods for which there exists a buying demand, in a location which is convenient for the purchaser. A storekeeper becomes a merchant when he puts personality into his work and gathers about him a group of people who, consciously or unconsciously, accept as valuable his endorsement or recommendation of what he offers them. Sometimes a certain store draws trade from a long distance past shops where equally desirable merchandise is to be had

*Salesman-
ship Con-
verts
Storekeepers
into
Merchants*

for practically the same or even less money. That is because the purchaser is definitely influenced by the prestige of the merchant with whom he is accustomed to deal.

A striking illustration of this fact was afforded me one day in Detroit. I noticed that next door to a cut-rate drug store was the drug section of a large department store. In the latter I approached a saleswoman who appeared to be of about average intelligence. I made a small purchase, and then asked her the price of Mennen's Talcum Powder.

"Eighteen cents."

"What," I ventured, "would you say if I should tell you that I can buy a box next door for 12 cents?"

"That often happens. Our manager has told us to tell people that we don't know anything about the goods that are sold next door. We guarantee our Mennen's to be the genuine article, and a lady told me, a few days ago, that she wasn't going to buy any more of that cheap Mennen's, for she had used some on her baby and it had broken out with a rash, and that hereafter she will buy goods where she *knows* they are genuine."

This is an extreme case. But it points out clearly that a department store is fundamentally and essentially the group of human beings whose confidence that store has won and is able to hold.

We are all fortunate in being members of many social groups. Membership in the family group is

*Getting the
Confidence
of a
Group
Is the
Department-
store Idea*

economically of inestimable value, and procures for us one of our most lasting satisfactions. As a rule

The Group Is Composed of Those Who Think Alike we are not conscious that we belong to groups. We have never thought about it. We are Democrats or Republicans, Protestants or Catholics, we are literary or athletic, we go in for opera or the "movies"

but quite without thinking of it as a group activity.

We enjoy being with and coöperating with those who think as we do. But unless we take an active part in the administration of their affairs, we benefit by membership in clubs, churches, and other groups chiefly in that it relieves us of doing our thinking ourselves.

Some philosophers, Le Bon and Nietzsche, for example, are of the opinion that human beings lose in individuality by herding in groups. Nietzsche

Groups as Viewed by Philosophers believed that it is impossible for two or more human beings to agree, unless one of them dominates the thought of the others.

Le Bon outlines the process of influencing crowds as affirmation, repetition, and contagion. Neither one of these men sufficiently emphasizes the thought that we may enter or leave a group as we please.

The man who does not interest himself in the affairs which concern the welfare of the city in which he

Groups Are Really Co-operative Organizations lives misses much of the pleasure of being a citizen. Nor can he give his city the benefit of his ideas for its betterment until he can secure the coöperation of his fellow-

citizens. He cannot truly enjoy the fruits of coöpera-

tion unless he be a member of the coöperating organizations.

Every man should find in his own business enough to absorb the bulk of his time and creative energy. By regarding himself with relation to his own business as the trustee of a group of coöperative buyers, he can offer each member of the group better values at less individual outlay than would be called for should they buy individually.

A large city is a concrete example of what the group idea, raised to the n^{th} power, is worth. Our transportation facilities are creations of the coöperative spirit. Twenty-hour trains between Chicago and New York are facts because railroad officials *know* that each day in the year a certain number of men can be depended upon practically to charter a special train for the trip. Each passenger has the same physical comforts, luxuries, and speed that a special train could give him—*plus* a substantial saving on his ticket. Such trains are the highest development, at present, of coöperative service in steam transportation.

Magazines, newspapers, and class publications offer the members of their groups definite savings. A technical engineering journal gathers and gives out to a large group of individuals who can make effective use of it, information which has been brought together by many individuals at a cost that would be prohibitive for any one member of the group.

*Cities,
Fast Trains,
Publica-
tions, Good
Examples
of the
Group*

Several farm papers keep scientific specialists at work on experiments, the results of which have largely increased the yield per acre and have decreased the cost of farming.

A daily newspaper delivers to one's home, for one cent, a complete canvass of the world by cable and telegraph, plus the local field, which is covered by many capable men. No one person, no matter how large his income, could afford to duplicate this information individually for his own pleasure or use.

*Conven-
iences,
Luxuries,
and Edu-
cation
Made
Available
for All
Because of
Groups*

Magazines have fostered a general appreciation of art and have increased the ability of artists by giving them a market for their product. A similar statement might be made with regard to the writing of books. The average of culture and refinement has been materially raised, and men have been developed to cater to those new wants.

The pulling force of the group idea is that membership in any group is, in practically all cases, purely a matter of volition. No man need belong to the liquor-drinking or to the tobacco-consuming group unless he wishes. He may also withdraw from either group at will. Yet the business of fulfilling

*Member-
ship in
Any Group
Largely a
Matter of
Volition*

the desires of these two groups represents an annual expenditure of \$1,800,000,000 and \$850,000,000 respectively. Another group makes it possible for publishers to do a \$190,000,000 business in books and papers each year.

The coffee group drinks \$300,000,000 worth of coffee annually. The butter group buys \$694,000,000 worth of butter, which is more than twice the amount spent for bread, which aggregates \$300,000,000. I mention the bread group as more likely to be considered compulsory. Statistics show that the total expenditure for what are considered necessities is very small in comparison with that which is paid for luxuries.

When a salesman realizes how small a part his personal sales are of the total consumption of the products he sells, he begins to see what advertising may mean to him. No matter how many assistants he may have, nor how he may organize and systematize their work, to call personally on the number of people whom he could persuade to prefer his product to that offered by others would be impossible. Realizing how little is needed to determine a preference in the purchaser's mind, he calls on advertising to help him develop a demand for the article he has to sell.

The far-seeing salesman realizes that the safest and usually the best way to go through a forest is to follow a blazed trail. He knows that human beings have been grouped in many different ways; he believes a group can be formed for his product and that the best way to do it is to use groups already in existence if he can adapt them to his purpose.

If the citizens of a small town call at the postoffice every day for their mail, they have that much in common and constitute a group to which the salesman can best appeal from a location near the postoffice. If there is a public square in the centre of town, or any other place at which people have the habit of congregating, the value of a sign there is directly affected by the numerical strength of the group and by the purchasing power of its individual members.

*Outdoor,
Street-car,
and
Publication
Advertising
—an Ap-
peal to a
Group*

A street car is essentially a coöperative unit contributing five cents a traveler for transportation which must otherwise cost many times that amount. Lacking the group of customers, there would be no street car. Therefore, the street-car card appeals directly to the group spirit.

A newspaper or magazine is an impossibility unless a well-organized group awaits with constant interest the knowledge which it is accustomed to receive through this particular channel.

An advertisement in a magazine or a newspaper is effective in direct proportion to the degree to which it senses and touches the group idea which makes the publications possible.

It has been said that the success of the late Ira D. Sankey was due to the fact that he took advantage of a universal group characteristic, sensitiveness to melody, and strengthened the appeal by using in the wording of his hymns the vernacular

of the particular group to which Mr. Moody wished to present the Gospel truths. The "Ninety and Nine" was specifically directed at sheep-raisers. "Pull for the Shore, Boys!" aimed to get and hold the attention of the citizens of a fishing village.

*Sensing the
Keystone of
Group
Harmony
Brings
Success
to the
Salesman
and
Writer of
Advertisements*

In like manner the master salesman uses the trained writer of advertising copy and that particular medium which has acknowledged prestige with the group to be reached, to sweep away the barrier which ignorance, prejudice, and indifference have placed between him and a large market for his wares.

REFERENCES ON CHAPTER V

The statistics quoted in this chapter and elsewhere in this book, unless otherwise noted, are from the "Mahin Advertising Book." This vest pocket volume contains lists of newspapers, magazines, and class papers with closing dates, circulations and maximum and minimum rates, also abridged data on Printing, Posting, and Street-cars such as a busy man likes to have constantly accessible. It is published by John Lee Mahin, New York, at \$2 a copy.

The "American Newspaper Annual and Directory," published by N. W. Ayer and Son, Philadelphia, at \$5 a copy is a book of 1,290 pages and is the most complete presentation of practical authoritative advertising information available in one work.

"Adventures in Common Sense," "Just Human," "Footnotes to Life," "War and World Government," John Lane Company, New York; and "Human Confessions," "Lame and Lovely," "God and Democracy," "Business in Kingdom Come," Forbes and Co., Chicago, are books that can be profitably read by every advertising writer.

They are written by Dr. Frank Crane whose daily editorials in a syndicate of American newspapers with over 5,000,000 circulation prove that a trained advertising writer can present every-day facts in a more interesting and plausible manner than one who is without special ability or experience along this line.

For supplementary reading, "The Crowd" (The Macmillan Company, New York), by Gustave Le Bon, and "Crowds," 1913 (Doubleday, Page & Company, Garden City, N. Y.), by Gerald Stanley Lee, are delightfully interesting. Both deal with the group spirit as exemplified in everyday life. Le Bon says that leaders form and dominate groups by processes which he calls "affirmation, repetition, and contagion."

H. L. Mencken's "The Philosophy of Friederich Nietzsche," 1913 (Luce & Company, Boston), is a digest of the great philosopher's views. Nietzsche held that "Will to Power," which is identical with Schopenhauer's "Will to Live," is the first law of Nature. Nietzsche championed individuality, and contrasted it unfavorably with the herd idea which he condemned as being the means whereby the un-

worthy are able to impose their will upon their superiors. His views are interesting because unusual.

Maeterlink's "The Life of the Bee," 1912 (Dodd Mead Co., New York), is a model for every advertising writer. It treats a thoroughly technical subject in a completely informing manner and in a fascinating style. The power of the group spirit expressed in the orderly and systematic activity of apparently unimportant individuals to accomplish really great tasks has never been more graphically described.

Woodrow Wilson's "History of the American People" is a masterly presentation of the manner in which ideas dominating the action of many separate groups of colonists have finally been blended into a national spirit which, in its group-cementing character, makes the American nation what it is to-day. (Harper & Bros., New York, 5 vols., 1911.)

For keeping you alive to the necessity of individual action if you are to dominate your group, for developing individuality which will coöperate with others and be benefited by association with them for making it possible for you to share the benefits of coöperation, I recommend the essays of Ralph Waldo Emerson. He is the fountainhead of "ginger talks" and optimism, of plans for meeting conditions as they are and making the best of them.

CHAPTER VI

WHAT THE MANUFACTURER OWES THE CONSUMER

THERE are consumers who are not producers, but every producer is a consumer. We cannot escape being consumers. We must accept the benefits which the industry of men has provided for us.

The reader of any newspaper is a typical consumer. A copy of a newspaper is waste paper as soon as it has fulfilled its mission of telling the consumer the many things he wants to know. To be sure, the penny paid for the paper on week days and 5 cents on Sundays, plus the time devoted to reading its interesting pages, could be saved—if we believed in that kind of economy. If we were to apply literally the theories of many political economists we would not be justified in reading a newspaper for the pleasure of knowing about what is going on in the world; they claim that it is wasteful to read except for the attainment of some definite, useful purpose.

The newspaper is a perfect illustration of the modern idea of justifiable commerce. It deals in satisfactions. The fulfilment of a desire which can

be gratified without harm to its possessor or to his neighbor is the basis of a commercial activity in which any man may honorably engage.

A few moments' consideration of the desires gratified each morning by the newspaper, demonstrates how complex, intricate, and varying are the wants of human beings. To make his newspaper a success the publisher has to be constantly cognizant of all the forces which stimulate desire, change beliefs and customs and increase or diminish the purchasing power of the consuming unit. He must accurately appraise conditions and conform to tendencies. Yet, if he fails to accept the responsibility of taking the initiative and assuming an authoritative stand wherever the consumer will profit by it, he will not be faithful to his own best interests.

Primarily the publisher is a manufacturer. Also, he is a middleman, a salesman, and a distributor. His raw materials are paper, ink, and labor. His finished product is the issue of the paper, many times duplicated, which he produces every day. His mission as a publisher is not fulfilled until he has put a copy of his paper into the hands of every man and woman who would appreciate it. He has to see that the mail trains are fully utilized and he must conform to the limitations governing them. His carriers have to be organized and disciplined and their work must be supervised, just as is that of an army corps.

A Successful Newspaper Publisher Is an Exemplary Manufacturer

A Complete Plan of Production and Distribution Essential

Newsstands at the big hotels and depots and many minor but absolutely necessary outlets for his product must be reckoned with and adequately and persistently followed, in order to complete the task which he has undertaken.

If your newsdealer sells out his stock so that you cannot have your paper when you ask for it, the publisher wants to know it. If the carrier substitutes another paper, you do the publisher a favor by telling him about it, so that he can investigate. He does not personally deliver the paper to its readers, but not in the least particular does he avoid personal responsibility for knowing that all the organized channels of distribution are open and working smoothly, so that you get your paper when, where, and how you want it.

Not until the consumer has bought, paid for, and used merchandise and is ready to buy again or to recommend it to a friend has the manufacturer completed his work. He must realize that no matter what price he gets at his factory, the consumer must pay the cost of distribution. If, by reason of ignorance or indifference, the manufacturer fails to see to it that his products are distributed to the consumer in the best manner which can be devised his business will be taken away from him by a more efficient competitor. It is not necessary for the manufacturer to distribute his merchandise to the consumer in order to fulfil this responsibility, but it is his

*What the
Consumer
Thinks Is
a Merchan-
dising Factor*

imperative duty to know how his products reach the consumer and to know what the consumer thinks of them, both before and after he has used them.

Modern merchandising recognizes that what the consumer thinks of a product is the most important factor in determining its value and the only basis on which a business which depends upon repeated sales to the same people can be built. Modern merchandising avoids the extremes of making goods (1) according to the manufacturer's notion as to how they ought to be made, and (2) of attempting to follow too closely the public's whims and fancies.

Organized salesmanship, which is modern advertising, has proved that consumer groups can be organized and kept in a constantly favorable mental attitude toward merchandise which is identified by a trademark. One of the popular fallacies is that the essence of a trademark is an arbitrary symbol or a clever name, or a catchy slogan. It is not. A trademark is an anchor for creative sales work. Its value is as great as its ability to remind the consumer of all the favorable things he has read, heard, and experienced in connection with it.

The commercial value of a trademark increases with each individual addition to the group of people who believe that this mark of identification will be affixed only to articles which possess certain desirable qualities. Its value is also enhanced in direct

*Consumer
Groups
Can Be
Organized*

proportion to the intensity of the confidence of its consuming group.

The manufacturer's responsibility for knowing what people think about what he makes and for inspiring and controlling a favorable mental attitude in any who may have been indifferent includes a recognition of the consumer's prejudices. What he might say successfully to one person or group of persons might be just the wrong thing to say to another group.

*The
Manufacturer
Cannot
Escape
Merchandising
Responsibility*

Let us assume that a razor made so well that it could not be improved upon were offered for sale in Germany. We are assuming not that it possesses the same merit as competitive articles but that it is superior. Superiority is not enough. Doubt is a human characteristic. Superiority is always questioned. People capable of appreciating it must be informed about it. In Germany the indorsement of the Kaiser would be the strongest, most far-reaching and convincing manner in which the superlative quality of the razor could be expressed to the consumer. We could not choose a worse appeal in offering this same razor to the prospective purchaser in England or France, although the men of both these countries would surely want to know about and would gladly pay for a superior razor. The story of the razor's merit would have to be presented in one way in England and in another

*Unproven
Superiority
of no Value
to Either
Manufacturer
or
Consumer*

way in France if we wished to merchandise it effectively.

Since there is so great variation in occupation, earning power, climate, and taste, how is the manufacturer to know (1) what the consumer can be persuaded to desire, and (2) what the portion of the consuming public which he would be able to supply ought to be told about what he makes?

Modern merchandising answers this question. The same broad conception of service which has made of the bookkeeper an accountant who by an analysis and charting of the past activities and results of a business can forecast its future has developed the merchandising audit.

Any producer can have his marketing possibilities appraised and charted. He can have a written record made of what has been accomplished by the creative sales ability of his own organization and by his competitors. He can know what consumers think of his and of his competitors' goods, and to what extent it would be possible to increase consumption in his line. It is possible to survey and appraise market conditions and, by getting the unbiased opinion of a sufficient number of consumers, wholesalers, and retailers, to know the condition of the market as a whole.

A plan for gathering and charting this information must be carefully worked out in advance. The data must be gathered by trained investigators

*A Mer-
chandising
Audit
Should Be
Made by
Every
Manufact-
urer*

who seek not information which will confirm preconceived opinions, but the truth exactly as it is.

Never Trust Professional Work to Untrained Men The determination of such a merchandising audit is as safe a guide for the manufacturer as is a compass to the mariner or the actuarial table to the insurance companies.

The manufacturer owes it to the consumer to make and distribute his product according to methods which insure the consumer the greatest possible satisfaction. The man who does not accept and fulfil this responsibility has committed commercial suicide. He is leaving an opening for someone who will rise to the occasion.

How to Decide Whether or Not an Article May Be Profitably Advertised Two sharp distinctions must be made when we attempt to decide whether or not an article may be profitably advertised. Because purchased in large quantities and then manufactured (i. e., so changed in form that the identity and knowledge of the source of supply of the component parts is lost), raw materials cannot be advertised as profitably, at a large outlay, as can articles of small retail value sold in packages and capable of being used by almost every family.

Raw materials are usually bought by experts who have explored the market carefully. All that advertising can do here is to teach how the goods can be utilized to the profit of the purchaser, thereby increasing the demand; or, by constantly demon-

strating the superior quality of the merchandise, either get a preference, at the same price, over competing goods, or a slight increase in profit. In selling such goods, the names of all possible customers are known, and the personality of competent salesmen is usually sufficient to thoroughly merchandize the wares they sell.

There are salesmen, however, and people who are called salesmen. The man who directs a large business in accordance with certain definite principles should see to it that his customers get the benefit of them. Some form of regular communication is recommended, in the form of printed matter, between the moving spirit of an organization and the customer. The salesman should close sales; the missionary work usually can be done best with printers' ink.

REFERENCES ON CHAPTER VI

"Practical Publicity," 1906 (the Matthews-Northrup Works, Buffalo), by Truman A. DeWeese, is a "work for the advertiser, and is intended to be helpful to every man who has anything to sell and who is ambitious to enlarge the market for his product," to put it in the author's own words. The book is adequate and unusually readable.

"The New Business," by Harry Tipper, treats the business of advertising both historically and practically from the standpoint of an engineer who has been signally successful as an advertising manager. It is published at \$2 by Doubleday, Page &

Co. for the Associated Advertising Clubs of the World.

[NOTE—One of my friends was kind enough to say that Professor Cherington's book covering advertising from the standpoint of the trained observer, Mr. Tipper's taking it up in an analytical manner characteristic of the scientifically trained engineer, and this book of mine expressing the views of the man whose whole training has been in the practical work of every-day advertising procedure, gave the student the three different viewpoints that would give him the largest grasp of the subject with the minimum of time on his own part.—J. L. M.]

CHAPTER VII

WHAT THE CONSUMER OWES THE MANUFACTURER

NOWADAYS everybody believes in coöperation and realizes how manifold are its benefits. Coöperation takes place within a group of persons who are like-minded in some particular; their like-mindedness makes them a group. Every group has a leader.

Each one of us is a member of many groups. Membership should be voluntary. It usually is. We are often not aware that we are entering, are dominated by the aim of, or are leaving a group.

Chicago's State street department stores are what they are to-day because behind each one stands a group of people who prefer its merchandise and service to any other. The individuals who make up the group of a Chicago department store live in and outside of Chicago. They are scattered over a wide territory. But they are held together by that which they have in common—a preference for the manner and materials with which their wants are satisfied at this particular store.

*Preference
of a Group
Creates
and Main-
tains Every
Big
Business*

Coöperation in groups is of great advantage to each of us. Because the cost of production and distribution is shared by all the members of the group, the cost to the individual becomes so small that he can have many comforts which he would otherwise have to do without. Twenty-hour trains between Chicago and New York are the last word in luxurious travel. By coöperating with his fellow-travelers in bearing the expense of the trip, each passenger procures for himself the maximum of comfort and luxury. No individual, no group as small as Chicago's 100 richest men, could afford to buy such service as the readers of a big metropolitan newspaper, at an expense of only one cent, enjoy daily at their breakfast table. By means of expert correspondents and the cable, the telephone and the telegraph lines, the newspapers gather news of the important activities of the whole world each day.

*How the
Newspaper
Has In-
creased the
Purchasing
Power of
the Penny*

Competent men present this information in attractive, easily understood form. The vast expense of all this work is absorbed in the cost of producing the newspaper.

No one of these expense items could be eliminated if only one copy were printed. The fact that many thousands of people coöperate in buying this service, plus the fact that advertisers materially lower the publisher's cost of production gives to a single penny a purchasing power which would have been considered incredible a hundred years ago.

62 ADVERTISING—SELLING THE CONSUMER

Our positive needs are few. We might feed, clothe, and shelter ourselves with what we could buy with only a small portion of our present living expense. Modern merchandising has not increased the cost of needs; it has reduced it, measured in terms of our earning power. But it has multiplied our wants and has made us think that many of them are needs.

*Modern
Merchan-
dising Has
Reduced
Prices*

If we were to grant that we should not have wants, that none of us is entitled to the satisfaction of anything but actual needs, we should have to call advertising a tax. Because it does increase the number of our wants. It increases our capacity to enjoy these wants. It increases our power to understand and comprehend the pleasure of the good things of life.

Present-day merchandising methods are based upon the belief that we accomplish more by acting aggressively, and that we get more by acting receptively, by acting through group consciousness. By "group consciousness" I mean that something inherent in each of us which makes us want to associate with our fellowmen, which makes us like to be with people who think and act as we think and act.

The manufacturer who reduces his price to meet competition is not furthering the best interests of the consumer. The manufacturer who seeks to enlarge his business by an appeal to the group consciousness of the consumer deserves the consumer's coöperation. He is using the method which gives most to

*When a
Manufac-
turer
Gains By
Reducing
Prices*

the consumer. Before he fixes his price such a man has had his field thoroughly and comprehensively analyzed, so that his plan of production and distribution can be worked out in the light of knowledge of actual conditions. Then he names a price which insures complete service to the consumer.

If such a manufacturer reduces his price because competition forces him to do so, the consumer must get depreciated quality. If he reduces his price in order to bring his product within the buying power of a larger consuming group and thus increases his volume, he makes possible internal economies which confer upon the consumer greater benefit than he can obtain in any other way.

The consumer ought to give preference to the manufacturer who seeks the largest possible market. Such a man is committed to the policy of perpetuating his business prestige in the market by giving better service than his competitors can give.

The consumer should remember that when standard articles are offered at less than their regular price a carefully developed merchandising plan is being interfered with. It's a doubtful economy to spend 10 cents for car fare and two hours' time in getting for 15 cents at a downtown store an article which can be bought at the corner grocery or drug

*The Consumer
Should Not
Be Too
Sure of
Reduced
Prices*

store for 25 cents. When these price cuts are made the merchant is obliged to offset his loss by selling other merchandise at a price which more than makes up the difference.

The merchandise on which the dealer elects to make up does not usually bear the name of a manufacturer, and seldom possesses the qualities which inspire and retain confidence and yield satisfaction. The consumer should not hesitate in choosing between an advertised and an unadvertised article of equal price and apparently equal merit.

*Consumers
Should Ap-
preciate
That the
Advertiser
Is an
Educator*

Advertising has developed our producing and distributing machinery. It has given us, in our spare time, education and information, the value of which cannot be estimated. The merchandiser who advertises is doing business on the soundest and most scientific basis. The consumer who coöperates with him is throwing the weight of his or her influence where it will count for most for the common good.

I am not saying that all advertisers deserve preference and the coöperation of consumers. Much advertising is still unscientifically done. Some of it is a positive waste and harm. But the latter bears the earmarks of inefficiency and is usually short-lived. The best publications are excluding the unworthy advertiser. The federal trade commission is recognizing that dishonest advertising is an economic waste.

The fact that advertising is made use of by the unscrupulous is an added reason why the consumer should give his or her hearty coöperation to the advertiser who has established his integrity beyond question. To doubt all advertisers because there have been and are imposters would be as foolish as to refuse to accept a \$10 bill because people do occasionally get a counterfeit.

*Advertisers
Usually
Reliable*

Sometimes a local dealer recommends to the consumer an unknown competitor of a well-known, nationally advertised article which she has been using and which has won her confidence. The dealer can have only one motive in pushing an unknown against a known article—he thinks he will make more money by doing so. In this assumption he is often mistaken.

Students of business agree that a rapid turnover with a small margin makes more money for the dealer than large profits and slower sales. Well-advertised goods of recognized merit move rapidly. The best dealers know it and concentrate on them. Thereby saving in rent and clerk hire, and by having their merchandise move rapidly.

*Well-
advertised
Articles
Usually
the Most
Valuable*

The manufacturer who puts his name on his product *must have* a greater sense of responsibility for them than does the man who does not identify his wares. Every phase of this responsibility develops increased value and service to the consumer.

There are merchants who assume many of the functions of the manufacturer, by having goods produced according to their specifications and then backing them with their own name. But most dealers buy from commercial men or jobbers who are not familiar with the conditions under which the merchandise was produced.

*The
Merchants
Who Can
Usurp the
Manufacturer's
Functions
Are Few*

It is decidedly to the consumer's advantage to favor, and to back his preference by buying, only goods merchandised by a method which places responsibility for every factor of production and distribution exactly where it belongs.

CHAPTER VIII

THE TOOLS OF ADVERTISING

MANY books have been written about the technique of advertising as a trade,. They deal with type faces, sticks, and rules, plumbago, and electric baths, copper and zinc plates, acid baths, matrices, ink-rollers, and presses, paste-pots and scissors, paint cans and brushes, wires and batteries; for these are the tools of the typesetter, the electrotyper, the artist, the engraver, the stereotyper, the pressman, the writer and editor, the sign painter, the billposter, and the electric-sign man. But I shall not attempt to explain those trades, either technically or mechanically. A man who would master any one of them should study all the literature available on the subject and serve a reasonable period of apprenticeship.

As an advertiser, an advertising manager, an advertising solicitor, or as a writer of advertising copy, he will do better to coöperate with men who specialize in the various phases of advertising, instead of attempting to oversee the details of work which must be well done from a technical standpoint, if he is to get the best results.

A few thoughts are pertinent here, however, which cannot be too frequently emphasized.

Illustrations are always desirable if they tell the story in less space than words could do it, for they have a wider range of appeal and do not need to be translated from one language into another.

Successful Illustrations Must Tell the Story in Less Space Than Words To give a commercial artist free rein in the matter of illustration is a mistake. He should be used primarily as an artisan, to put into concrete form the ideas which the advertiser wishes to project into the consciousness of the group. There are very few artists whose knowledge of the habits of buying groups is such that they can really contribute anything to the idea which is to go into the advertisement. Not many of them are good judges of relative commercial values.

Where arbitrary spaces are to be filled with combinations of illustration and text matter, it is quite essential that just the right proportion, and no more, be allotted to the drawing. *Mechanical Limitations Must Never Be Overlooked* Fortunately for the advertising man (who is not an artist), commercial artists can be referred, for master work of this kind, to many of the splendid frescoes of Raphael and Michael Angelo, who filled in arbitrary spaces as if they had been specially made for the pictures they placed therein.

A commercial artist who can get around and over the obstacles which rise on every hand in reaching

See your architect now

That step insures your greatest satisfaction in the home you build this Spring. Ask him about

Hy-tex Brick

the facing-material which gives the utmost of beauty, permanence, fire-safety and comfort in all extremes of weather. And gives them to you at the greatest economy in the long run.

The booklets mentioned below tell you of the superiority of Hy-tex and its adaptability to all styles and sizes of homes.

"Genuine Economy in Home Building"—a handsome, 64-page book illustrated in colors explains these savings in detail. Sent for ten cents.

"Suggestions for Small Hy-tex Homes" is a booklet of helpful plans for homes of moderate cost. Sent for four cents. Write for these booklets today

HYDRAULIC-PRESS BRICK COMPANY

Dept. L-1 St. Louis, Missouri

Branch Offices: Baltimore, Md.; Chicago, Ill.; Cleveland, O.; Davenport, Ia.; Indianapolis, Ind.; Kansas City, Mo.; Minneapolis, Minn.; New York City; Omaha, Neb.; Philadelphia, Pa.; Toledo, O.; Washington, D. C.





Unexpected!

"Why, John, you said it was an *old* house!"

"And so it is. But the painter has been at work. That's the difference."

A house is only as old as it looks. A house painted in colors tastefully selected and with paint mixed of

Dutch Boy White Lead

and Dutch Boy linseed oil looks new, and long retains that look of freshness. Such paint wears long and smoothly, without cracking and scaling. Consult your painter as John did his. Make your house new. No other improvement so satisfactory can be made for the same money.

Write for our Paint Adviser No. 153—a group of helps, Free

NATIONAL LEAD COMPANY

New York
Buffalo
(John T. Lewis & Bros. Co., Philadelphia)

Boston
Chicago



Cincinnati
San Francisco

Cleveland
St. Louis
(National Lead & Oil Co., Pittsburgh)

the group is a rare one indeed and well worth the almost fabulous sums which he can command for his services.

Words, at best, are but symbols of ideas. Their value depends entirely upon the stage of development of the group spirit. Unless a large group had been taught that an arbitrary assemblage of certain letters of the alphabet transmits from one mind to another the idea which has previously been associated with this word, communication through the printed page would be impossible. For a foundation, then, we must have the group spirit. And the idea associated with any certain word must, as far as is possible, be kept the same.

*Using
Words to
Convey
Ideas*

In advertising in the United States, it is always best to use Anglo-Saxon words, because more people understand them than those which are of Latin, Greek, or other derivation. Writers of effective advertising copy never cultivate what is called "style." They use words only to transmit an idea effectively, without diverting attention from the message itself. That is why pretty pictures and high-flown phrases often defeat the purposes of the advertiser.

*The
Successful
Use of
Type*

Type, while wholly mechanical, permits of great variety of effects if skillfully handled. Many advertising men make accurate layouts specifying the sizes and faces of type they wish used. This can be done quite easily

by remembering that all type is now made according to the point system, i. e., seventy-two points to an inch. Twelve-point type is exactly one-sixth of an inch in depth. Most newspaper columns are two and one-sixth inches wide.

In making layouts for advertising, the best plan is to indicate roughly all words and phrases which are to be displayed prominently, leaving to the good judgment of a thoroughly skillful and experienced superintendent of the typesetting room the selection of the best compositor for the particular work in hand. It is manifestly wiser for the man who cannot get such coöperation to make an accurate layout. This is merely a matter of careful measurement and correct arithmetic.

It is possible for a man versed in the legibility of type faces to reset an advertisement which has a crowded and confused look (and is therefore repellent rather than attractive) in from 10 to 25 per cent. less space, and still have the advertisement appear larger than before. The architect who builds an apartment on a twenty-foot city lot, when compared with the old-time carpenter-contractor who "saved you money by drawing the plans himself," is an illustration of my point. When advertising space costs as much as \$112 an inch, the economy of employing the most skillful manipulator of type faces is at once apparent.

*Let the
Master
Compositor
Work Out
Details of
Layout*

*Building
an Adver-
tisement
Likened to
Building a
House*

Type faces stand very little wear. It is practicable to print direct from them only on small press runs.

*How Type
Is Used
in Print-
ing a News-
Paper*

None of the larger daily newspapers print direct from type. Their big perfecting presses require continuous rolls of paper and cylindrical printing plates, which are made as follows: type set up the size of the page is locked in a form; alternate sheets of tissue and blotting paper, with paste between each, are spread over it; and it is subjected to pressure at great heat. This dries the paper impression, which is called a matrix. The matrix is put in the bottom of a semicircular mold, and type metal is poured over it. In a few seconds the metal hardens, is taken out of the mold, and clamped on the cylinders of the printing presses, which turn out papers at the rate of 20,000 or more per hour per press. The heat necessary to make a matrix injures the type by expanding it. So those who advertise in a large way in many publications and want the best effects insist on having electrotypes.

The printing of books, magazines, and catalogues is quite different. Flat-bed presses are used.

*How Type
Is Used in
Printing a
Magazine*

Usually the whole type page is electrotyped. To make an electrotype, a wax or lead impression is taken of the page, which may contain both type and illustration. This impression is dusted with plumbago, and put in a bath. An electric battery deposits a thin sheet of copper on the face of it. A good

electrotype requires a bath of from four to six hours. This copper shell is backed up with stereotyping metal and a printing plate made of it. A poor electrotype generally has too thin a shell, which will not stand a long run, and is easily damaged.

Drawings are changed into printing plates either by the zinc etching or the half-tone process. Wood engravings are practically obsolete. Half-tones and zinc etchings can be electrotyped, but with half-tones it is often better to use the original plate and duplicates of the same. An electrotype of a zinc etching will generally stand up better under a long press run than an original zinc. An electrotype can be re-electrotyped indefinitely, but each reproduction sacrifices something in printing quality. Men who are familiar with this fact can easily pick out a cheap electrotype or a reproduction from an electrotype. It shows up in the finished result, and is one of those savings which should not be countenanced.

Nothing will demonstrate to the average advertiser the fact that the best engraving and plate making house is none too good for his purpose, and that no money is saved by getting cheap work so well as a trip through a well conducted shop, where he can see for himself how many processes there are where the least lack of knowledge, or of attention, would affect the finished result.

Printing plates and types are used in advertising

*Cheap
Engravings
Are Poor
Economy*

in two ways: (1) in space in newspapers, magazines, or class publications, such as trade, agricultural, and technical papers, street-car cards, and posters, and (2) in specially printed matter, such as circulars, booklets, catalogues, and follow-up material.

The blank space upon which printing is done may well be called one of the tools of trade. In considering how to get the best results, one must remember the size of the space available, the quality of paper, and the general appearance of the advertisements which will compete with it for attention, so that distinction may be secured either by emphasis or contrast.

Space buying should be delegated to a man who has had years of experience in that work. You can be sure, when a publisher's rate-card shows a complicated list of discounts, that there is a minimum rate, and always a way by which the trained buyer, who knows how to present his proposition, can get an approximation of it.

In buying space, plates, art work, or printing, three things should be considered: (1) the cost of raw materials which will produce the right quality; (2) cost of supervision required to get the best results with the materials and the machinery used; and (3) the cost of expert help, getting the benefit of the experience of men who have made a life study of that particular kind of work. Their coöperation

*Making the
Most of
Advertising
Space*

*Space
Buying
a Job
for a
Man of
Long
Experience*

is valuable and is not always included in the service offered you by the lowest bidder.

A printer who will coöperate with you in a sympathetic and intelligent way, understanding the purpose of your printed matter, will save you many times the differences between his higher price and that of the cheap printer who seeks your patronage through competitive bids. If you will frankly state to a competent and trustworthy printer the outside figure you can spend for a specific piece of printed matter, he can save you money in many ways.

For example, presses and paper of certain sizes work best together. The big item in printing is the press work and paper. With rapidly moving presses, unless the distribution of the ink and the handling of wet sheets, after they are printed, is carefully watched, the result will be unsatisfactory.

Sometimes a catalogue just exceeds the postage limit and has to have an extra stamp on it. A printer who is accustomed to working with the advertiser would have foreseen this, and would first have made a dummy, on specially selected paper, so that the full amount which Uncle Sam will carry for a specified sum would go into the book itself. The few cents needed for a better quality of paper, which weighs less, would mean a large saving.

*"Look
Before
You Leap
in Order-
ing Printed
Matter"*

If a postage expert should make a careful analysis

of the amount of money spent for postage during the year by some of the large and some of the small commercial houses, no doubt millions of dollars' worth of waste would be discovered. The postage expert is an unheard-of factor in business as yet, but the future holds out splendid prospects for such a profession.

*The
Postage-
saving Ex-
pert a
Coming
Profession*

Much might be said about various qualities of paper stock and printing inks, and about the rules for contrasting and combining colors. Whole books deal comprehensively with these subjects. Trade papers are continually publishing elaborate treatises on paper stock and color printing.

*Paper
Stock and
Printing
Inks*

Just in this wealth of information and argument lies a danger for the advertiser. He may be led off into the by-paths of advertising procedure, into investigations and discussions which may be pleasurable and interesting, but which have little to do with effective merchandising and distribution.

The general rule for the use of words applies also to paper stock and colors: the consumer's attention must be gained, but without his being so fully taken up with the manner of expression that the advertiser's story is minimized or lost. This is the danger in using striking effects. There is fierce competition for the advertiser's money, and in making any decision he should keep this test uppermost: Is this the tool which will most adequately interpret my thought?

*Judge
Paper
Stock and
Inks by
This Test
—Does It
Emphasize
Itself
in the
Story*

Brains and common sense in seeking the reason for the rule instead of following the letter of the law, might be listed as tools of advertising. They are as essential to satisfactory advertising service as they are to any other kind of service—no more and no less.

*Greatest
of All
Advertising
Tools Are
Brains and
Common
Sense*

REFERENCES ON CHAPTER VIII

The newest and most effective tools of advertising are graphically and intelligently described in the printing-trade papers: *The American Printer* (New York), *The Printing Art* (Cambridge, Mass.), and the *Inland Printer* (Chicago).

“Making Type Work,” published by the Century Co., (1916) is the title of a most interesting book by Benjamin Sherbow. Every advertising man needs it.

Theodore Low De Vinne has published two books, “Plain Printing Types,” 1900, and “Correct Composition,” 1901 (The Century Company, New York), which should be in every advertising library.

A particularly delightful and inspiring book is “Printing in Relation to Graphic Art,” 1903 (The Imperial Press, Cleveland), by George French.

Many books concerning the various technical phrases of plate-making and printing are advertised in the trade papers.

Frank Alvah Parsons’ “Principles of Advertising Arrangement,” 1912 (the Advertising Men’s League of New York City), contains valuable information

for those interested in the different phases of advertising display. The book is a series of ten lectures which treat in a technical manner the most important factors to be considered in building a successful advertisement. Two chapters devoted to "The Use and Abuse of Decoration and Ornament" are particularly worth while.

Harry M. Basford has written a valuable book, "How to Estimate on Printing," 1913 (Oswald Publishing Company, New York). Good printers, like good lawyers and good doctors, are willing to tell their customers all they want to know. The reader will have more respect for good printers and the work they do after he has finished Mr. Basford's book.

The "Graphic Arts and Crafts Year Book" (Graphic Arts Press, Hamilton, Ohio) contains the latest examples of color and process printing of all kinds on every variety of paper stock. Invaluable to printers.

CHAPTER IX

ADVERTISING MEDIUMS

THE group spirit creates the advertising medium. To think alike, people must continually receive through the same channel new impressions of ideas which in themselves may be old or new. Leaders of groups persistently reiterate and confidently affirm. They find that all the ways and means of accepted advertising procedure constitute the best method of "selling" their ideas to their respective groups.

Some mediums have greater prestige than others. By "prestige," I mean that standing which an organization or a man must have whose statements are accepted with little or no question.

*Choosing
the
Medium
of Greatest
Prestige*

Suppose that you are on the mailing list of a bond house, and are also a regular reader of a daily newspaper, a subscriber to a monthly magazine, and an illustrated weekly of national circulation, a daily patron of the street cars and an unintentional though by no means uninfluenced observer of painted bulletins.

Suppose that the bond house sends you a circular,

and that precisely the offer it makes you appears in your newspaper, your magazine, your illustrated weekly, in street cars, and on bulletin boards. Which will make the greatest impression?

*A Case
in Point*

If your purchases from the bond house have been profitable, the chances are its circular would have the most prestige. Had you been indifferently served, or had you later found out, or thought you had found out, that some other house would have given you the same security and a better rate of interest, or if you had never made an investment of that sort and knew nothing at all about this bond house, save through the circular, it would be the least effective of the mediums reaching you.

But if you were in position to make an investment when you get the circular, but had never heard of the bond house, it is certain that the advertisement in your favorite magazine or in your daily paper would have given to the circular a prestige and influence which it could not possibly have had without this additional support.

Prestige, therefore, is either the cumulative result of the best type of advertising, or it is a reinforcement of a previously created confidence in a medium in the minds of the individual members of the group which makes the medium possible.

*Buying
Space
Requires
Careful
Analysis*

Because of competition among men who own and control advertising mediums, it is wise to analyze

and weigh carefully before buying space. Many delicate factors have to be considered in determining which is the best medium, or the best selection from a number of mediums for your particular business.

The keen observer will also discover a disparity between the intrinsic value of mediums and the aggressiveness and convincing power of the personal salesmanship which represents them. For many years newspaper publishers throughout the United States sold advertising space to patent-medicine houses for less than cost. They thought that to get money for space they had to fill anyhow, was like finding it. Skillful salesmen placed these remedies in drug stores and then made space contracts for from one to three years with publishers. Increased enlightenment on the part of the publisher has just about put an end to this kind of business.

Many of the best and strongest mediums are represented by salesmen of the true service type—men who will not sell the advertiser space unless they are sure that the nature of his business and his plans for “cashing in” on his advertising expenditure will be acceptable to the readers of the medium for your particular business.

In contrast to this position we have that of a number of splendid advertising mediums which are undersold. The publishers take the ground that it is undignified to send out men to persuade the

*The
Intrinsic
Value of
Mediums
and
Aggressive
Salesman-
ship*

*Service by
the Repre-
sentative of
a Medium
Is an
Important
Factor*

advertiser to use their columns. With still other mediums the personal salesmanship of the advertising representative is the most interesting, aggressive, and valuable service which the advertiser buys.

The first thing an advertiser has to do is to fix clearly in his mind the characteristics of the particular group to which his story will most logically appeal. In some cases this group may be numerically smaller than that reached by the advertising medium. Then it is wise for him to consider whether he will concentrate on one medium that has prestige, even though he cannot expect his buying group to consist of more than a small portion of that which creates the medium, or if he shall use several units reaching groups smaller than that which he is creating for himself.

*One Large
Group
vs.
Several
Small
Groups*

This is the problem which retail stores in big cities can never get away from. Shall the proprietor concentrate his appropriation on one publication, knowing that he could not possibly serve all of its readers if they should come to his store? Or shall he scatter his appropriation among several daily newspapers, knowing that from each he can gather a certain number of individuals most susceptible to his offers, just as with a magnet one can pick out from a tray of ashes and iron filings every particle of metal?

If some one medium dominates the whole field, he must decide whether he will make his business con-

form to the characteristics of the group which constitutes the medium, or if he will make selections from various groups and build up a following of his own.

The problem is intensified as soon as mail-order advertising and national advertising are taken up. But I shall consider these subjects in a later chapter.

The mediums which are recognized as worthy of every advertiser's consideration are listed as follows: Newspapers, Magazines (popular, technical, trade, and class), Street Cars, Posting, Painted Bulletins and Walls, Electric Signs, Window Displays, Store Demonstrations, Sampling, House-to-House Canvassing, Form Letters and Mailing Cards or Circulars sent to lists of names, Novelties, such as Calendars, Blotters, and the like.

What the newspaper gives us, no matter where it is published, is news. By "news" I mean a record of things that happen to people. They interest us because we are human and they might happen to us, too. The newspaper is ephemeral. Its mission is ended when it has been read. Its life is over when the next issue is on the market. It is as hard to find yesterday's newspaper as it is to remember who was the last vice-president.

Two distinct classes of advertisers, differing radically in character, find the newspaper their best

*The
Different
Media
Used in
Advertising*

*Group of
Advertisers
Who Find
Newspapers
the Best
Medium*

avenue to a market. First of these is the retail store. In order to pay such constant overhead expenses as interest on capital, rent, salaries, insurance, etc., it *must* do a business *every* day. The daily paper is the ideal medium for getting the consumer to come to the store for a definite and specific purpose, a purpose which, if the truth be told, the advertiser has put into his or her mind.

*The Daily
Newspaper
Ideal for
Advertising
the Local
Store*

The other class consists of those of whose business timeliness is the most conspicuous feature. The newspaper is the best medium for satisfying occasional, temporary, and emergency business needs. The want columns of a metropolitan newspaper show up human nature in its most unsettled state with relation to business. It may seem paradoxical that the best publication for establishing a strongly entrenched department store is also the most competent medium for the man out of a job and the employer who needs more help. In the "want ads" the man who has old clothes to sell can most speedily convert them into cash. There rooms are rented and roomers find new quarters. If you never have spent a couple of hours in reading the "Want Section" of a Sunday newspaper, I recommend it. You will get more thrills out of it and more things to think about, more sidelights on human nature, than are to be had in the same time in any other way.

*The News-
paper Best
Medium
for
Satisfying
Immediate
Needs*

In the "want" columns and in the daily announce-

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ments of the department store the best appeal to the group which constitutes a newspaper must always be foremost—the timeliness of to-day's presentation and the necessity for immediate action. This is the general practice of the most successful advertisers.

Men who sell advertising space in magazines of which fiction is the important feature will tell you that there is a universal demand for such literature; and that it is when you are relaxed and reading a magazine that you are most ready to receive new ideas. It is noteworthy, also, that a fiction magazine may be read at any time, now or several months from now, with equal pleasure.

The advertiser whose goods can be sold all over the United States is urged to use national fiction magazines, because, having a permanent story to tell, he reaches the public at a time when it is most likely to grant him consideration. Many producers have built up a large business in this way.

Some successful magazines, particularly our national weeklies, combine the "pulling" points of magazines and newspapers, i. e., (1) their fiction is of such quality as to be worth keeping for future reading, and (2) timely features are dealt with more thoroughly than the newspaper can treat them.

*The
National
Weeklies
as a
Combina-
tion News-
paper and
Magazine
Medium*

Advertisers classify technical, trade, and class publications as magazines, for the reason that the groups to which they appeal are not

confined as to locality; they have subscribers in every part of the United States. A number of technical

*Technical,
Trade, and
Class Pub-
lications*

magazines are really trade directories. The last issue of any one of them may justly be regarded as a complete and up-to-date manual of a trade which may cover the whole United States, with representatives in almost every city. The same statement might be made concerning class papers, although sectional lines are more clearly drawn in this field.

Farm papers are usually listed as class publications. Some of them have a national scope but deal

*Farm
Papers,
the Trade
Publication
of a
Great
Class*

with but one industry, such as horses, cattle, or poultry breeding. Others take up the detail of soil, climate, and the general conditions of the principal crop of the particular belts or territories they cover.

The latter are really the trade papers of over six million American farmers. Each one of these farmers operates a farm large enough to be properly regarded as a business unit, a separate producing and merchandising establishment, as well as a consuming unit, connected with many different consuming groups.

In determining the value of class publications, editorial prestige, the censorship of the advertising pages, the circulation of the paper,

*How to
Judge a
Class
Publication*

its prestige and subscription price, whether or not the sale of subscriptions is stimulated by offering premiums—and if so, what kind of premiums—all these are factors which

the advertiser who uses their space should consider seriously.

This large number of all kinds of publications gives the advertiser ample opportunity, and, as is always the case where opportunity is large, the responsibility for discrimination is increased exceedingly.

REFERENCES ON CHAPTER IX

In "The Art of Newspaper Making," 1895 (D. Appleton & Company, New York), Charles A. Dana, one of the greatest American journalists, has given us his ideas about writing copy for and publishing a paper. He gives standards for discrimination.

"The Autobiography of Benjamin Franklin," 1902 (Houghton, Mifflin & Company, New York), gives the reader a very good idea of the status of advertising in his time. Franklin foresaw the tremendous development of advertising mediums, and his pioneer work in system may well be regarded as the foundation of modern and scientific management.

"Astir," by John Adams Thayer, 1913 (Small, Maynard & Company, Boston), is a frank revelation of the ways of magazine publishers, their ideals, and their methods. If the book contained nothing more than his correspondence with Mr. Frank A. Munsey, who gave us the low-priced fiction magazine and has so largely influenced the history of publishing in the United States during the last twenty-five years—it would be worth careful reading.

CHAPTER X

ADVERTISING MEDIUMS (*Continued*)

THE standard street-car card is eleven inches high and twenty-one inches wide. Many manufacturers and retailers favor this form of advertising because it gives them a chance to reproduce their package in its original colors.

Street-car advertising is peculiarly suitable for continuous advertising, because the cars run every day in the year. They follow the arteries of trade. The number of cars run on any given line is increased just as fast as the number of patrons increases. More people means more cars, and that means more publicity for car cards. The longer the haul, the more time the traveler has for reading these cards.

Several different cards may be run by the same manufacturer at the same time. Many advertisers use as many as six at once, with sixty words on each. Some favor the poster idea where large type for the name or suggestive pictures with the trademark prominent keep alive impressions previously made in the consumer's mind. Others rely wholly upon text to

*Street-car
Advertising
Analyzed*

*The Use,
Checking,
and Cost of
Street-car
Advertising*

clearly explain an article's merits and deftly arouse the buying impulse to action.

The advertiser is given a list of the numbers of the cars in which his cards are appearing. Checkers visit the barns to verify these lists. Cards are changed once a month, usually.

Pasting sheets of printed paper on walls, the sides of barns, and on specially prepared boards is probably the most elementary form of advertising. Time tables tacked up in railway stations, notices pinned or pasted up in post-offices, the bulletin boards on which most large institutions make announcements—these were the forerunners of modern bill-posting.

Circus and theatrical attractions, recognizing the power of color with the public, and desiring to create an impression of bigness, kept increasing the size of posters. In this way the 8-sheet, the 16-sheet, and 24-sheet posters of to-day came about. In an early day it was possible to print only one sheet, 28 x 42 inches, at a time. It had to be sent through the press once for each color; so a 24-sheet poster meant a great deal of detail work in design, mechanical execution, handling in the printing offices, sampling, shipping, and in finally placing it on the boards.

Presses have been increased in size so that a much larger sheet than 28 x 42 inches can be printed

*The Fore-
runners of
Modern
Posting*

*The
Evolution
of the
Twenty-
four Sheet
Poster*

at one time, but this arbitrary size (28 x 42) is the unit of measurement in referring to 8 sheet, 24 sheet, and other sizes of posters.

Posters are still lithographed one color at a time, which requires running the sheet through the press once for each color. Colored process work on *posters* is possible and it has been done, but it has not come into general use. A process poster seems to lack the color "punch" an ordinary lithographed one has. It suffers in comparison with others on a billboard on which each poster must compete with all others for attention.

Billposting has been standardized in the United States. In about four thousand towns and cities there are regular plants which maintain boards of uniform height but varying in width to accommodate one or many posters. Multiplying 28 inches by 4 to get the height of a 4-sheet poster we have 112 inches or 9 feet 4 inches as the height of the standard 4-8-12-16-20 and 24 sheet poster.

*Billposting
Service as
Standard-
ized in
United
States*

Allowing for border, trim, and lap-over, the posting surface is about 9 feet in height, so a board must be at least this height to accommodate a poster. Billboards are as a rule 10 feet in height to permit blanking space above and below the posters. In large cities property owners get high rents for the ground on which the boards stand. This results in a list of special locations for which a higher rate is charged than the regular standardized price per sheet.

A billposter agrees to furnish a list of locations on which posters have been placed, and to keep them in good condition for thirty days. The advertiser furnishes from 10 to 20 per cent. more paper than the actual number of locations require. Since it is necessary to renew paper every thirty days, a month has become the basis on which billposting is usually sold.

Some advertisers post continuously, but change the showing once a month; others post alternate months; still others post one month in the spring and one in the fall. Some use posting only when they want to introduce a product.

Billposting boards usually differ from bulletin boards only in that posters are pasted on the former and on the latter the advertisement is painted.

A painted bulletin is usually twenty-five feet long and made of galvanized iron, and sold on a twelve months' contract including one or two *Painted Bulletins* repaintings. Rents for locations average higher than for billboards, because the contract runs for a longer period. In very many cities painted boards or walls dominate the most populous centres. Advertisers who want to create an impression of permanence usually prefer paint to posters.

In height some city bulletin boards are 8 feet, a greater number are 12 feet. By far the largest number are 10 feet. On boards now being built, the present tendency is toward boards 12 feet in height.

Buffalo is the only large city I know to build bulletin boards 8 feet high.

This was required by municipal ordinances. The sign people in Buffalo have evidently been able to discover some way to evade this law or have it repealed, as I understand they are erecting higher boards in the former districts where all boards over eight feet in height were prohibited.

The cheapest and most effective outdoor painting is on outside store walls, if locations are available. Successful advertisers usually go into a city, buy a well-distributed wall showing, and supplement it with painted bulletin locations wherever walls are not to be had. Walls are painted once a year. The minimum price is 5 cents per square foot. At that rate, a 20 x 40 foot wall costs the advertiser \$40 for a twelve months' showing, this to include the cost of designing and painting.

A 10 x 25 foot painted bulletin, being a selected location as a rule, is considered to have the same attention value as an 800-square-foot wall.

| | |
|----------------------|--|
| <i>Bulletins and</i> | |
| <i>Walls</i> | Forty cents a month per running foot, or |
| <i>Compared</i> | 5 cents per square foot per year, on a board |

eight feet high, means that a bulletin costs twelve times as much per square foot as a wall. But the 250 square feet of space in a 25-foot bulletin is usually considered equivalent to 800 feet in a wall, if one takes into consideration the better location, that the bulletin is painted twice a year, and that its smoother surface makes finer pictorial work possible.

A 32-sheet poster, at 20 cents per sheet a month,

costs \$6.40. It is generally compared with a 25-foot bulletin, as it occupies about the same space and costs \$10 a month. A poster costs \$6.40 per month, plus the cost of paper, which will vary from 40 cents to \$1 each (in minimum lots of 1,000) plus the cost of expressage. The cost of paint and paper is so nearly the same, therefore, that competition is keen wherever they are handled by different interests. In a number of prominent cities, notably Boston, Cleveland, Detroit, Seattle, Portland, San Francisco, and Los Angeles, paint and posting interests are identical. The tendency of advertisers generally is to use paint for twelve months' showing and paper for all shorter periods.

The Comparative Cost of "Paper" and "Paint"

Electric signs have become an important feature of outdoor advertising in large cities. It is difficult for some people to believe that a chewing-gum manufacturer, for example, can afford to pay \$18,000 a year for an electric sign showing the full length of Broadway from Thirty-third to Forty-second Street. This is less than \$50 a day, and it may safely be said that at least 200,000 people, each having money enough to buy chewing-gum, see this sign every day.

Electric Signs

This completes the list of mediums for which a national service has been organized. It is possible for an advertiser to get accurate information about all these mediums in one office, and also to contract therefor dependable, easily verifiable service which

will be billed to him monthly, and may be paid for with a single check.

There are other advertising mediums which are quite generally handled in the advertiser's organization.

Window displays can be purchased from houses which make a specialty of preparing them. But it is always wisest for the advertiser to have his own men put them up. A vast amount of lithographed material sent out to dealers is wasted. They store it, temporarily of course, under the counter; and very often it gets no further. Sometimes it is never unpacked or brought up from the basement. Window display costs anywhere from 25 cents to several dollars per window. Before he undertakes this form of advertising the manufacturer should be very sure that he has a comprehensive workable plan which will positively put his material *in the window*.

Food manufacturers frequently use store demonstrations to introduce a product. The demonstrators should be capable saleswomen who can take enough orders and make enough direct sales to practically pay their way. Some retailers object to demonstrations, declaring that they divert attention from the regular stock. The average grocery store serves less than one hundred families. Actually, the average is only a little more than sixty. Unless the demonstrator does pay her way in sales, the publicity is very expensive.

Sampling is also favored by food manufacturers. A crew of men, in charge of a dependable superintendent, gives samples direct to house-
Sampling wives, or hands out coupons redeemable at a grocery store either in full or part payment for a package of the goods being advertised. The manufacturer allows the grocer full credit, in lieu of cash for goods, for all coupons redeemed before a certain date.

*House-to-house
Canvassing* House-to-house canvassing is an extension of the demonstration idea. The canvasser frequently makes direct sales to the housewife and turns them over to her grocer. Sometimes the canvasser goes out with the grocer's order boy, gives a talk about the goods at each stop, and makes direct sales.

Form letters, mailing cards, and folders have played a considerable rôle in advertising, and are
*Form
Letters,
Mailing
Cards,
Folders* still used by many advertisers. They are expensive when one considers the number of people reached, because Uncle Sam does not make a discriminating rate in favor of printed matter of this kind, as he does for newspapers, magazines, and periodicals which travel as second-class matter. Very often advertisers go to a dealer, sell him a bill of goods, and get the names of his customers and prospectives. The manufacturer believes he can demonstrate to the customer the merits of his goods more quickly and accurately than the dealer can. He also believes that the

literature he sends to these customers influences and reinforces the dealer's attitude toward his product.

Mailing cards are sent out in advance of salesmen calling on the trade. They also announce changes in price. A number of wholesale jobbing houses get all orders from dealers through the mail. Such houses get out a catalogue at least once a month. Many jobbers anticipate the calls of their salesmen by working the trade by mail, hoping to get a small initial order, or a request for a salesman to call. Others send out printed matter, to keep up the dealer's interest during the interval between the salesman's visits.

*Cards and
Other
Printed
Matter
Used to
Assist
Salesmen*

The use of calendars and novelties is quite a different but very popular form of advertising. Theoretically, the value of the calendar, or pocketbook, or knife, or blotter, with the advertiser's name on it is that because it is a useful article, it will keep the advertiser's name constantly before the user. The truth of the matter is that few men could tell you the name which is on the blotter which they have been using every day for a week.

*Calendars
and
Novelties*

The best novelty salesmen do not use the "Keep your name before the public" plea, for they know that the advertiser can get this service elsewhere for much less money. The plan most used is to ask a banker, for instance, how he would like to have fifty men who had never been in his bank, all of them desirable patrons,

*Selling
Ideas Used
by Novelty
Salesmen*

come in to see him and accept a favor from him, at a cost not to exceed twenty-five cents each. The first time it is presented, this proposition is very tempting. The salesman shows a reproduction of a beautiful picture, explains that he will have it made up in a handsome calendar, and hands the banker a copy of a form letter which has been successful in other places. It invites the recipient to stop at the bank some day, when he is going by, and get a calendar that has been set aside for him. The salesman cautions the banker to write the man's name on the envelope *before* he comes in, so that he will be sure to know he is getting something which has been especially reserved for him. One cannot say this is not successful advertising; and for certain lines of business it seems the cheapest and quickest approach.

Novelty salesmen who want to build a permanent clientele are most concerned about *how* their customers use these novelties. Suppose that, *Adding Value to Novelties* having given a clerk a strong sales talk in which he emphasizes the chance to develop selling ability by making every effort to sell the article which the salesman has just sold the proprietor, the salesman hands the clerk a pencil and tells him to use it writing out orders. Every time he uses it, that pencil reminds the clerk of that sales talk. To merely hand out the pencil, as if the salesman himself considered it of but little value, would be sheer waste. Calendars and novelties should remind the recipient of a forceful sales

talk; when they do, they have a sentimental value quite apart from and beyond their actual cost.

Slides for motion-picture houses are worth while for local merchants who have the exclusive sale of a nationally advertised brand of goods for their own city or a restricted community.

*Moving-
picture
Slides*

Attempts have been made to organize the motion-picture business, so that slides might be sold on a national service basis; but very little headway has been made.

REFERENCES ON CHAPTER X

There is plenty of literature about advertising mediums. Publishers and space-owners are continually putting out books that deal with one or another phase of the subject. Much of this material might be classed as special pleading. Too much of it extols one class of mediums and condemns all others.

Especially noteworthy is "Selling Forces," 1913, by the Curtis Publishing Company. It covers a broad field and is a comprehensive and authoritative treatise on the whole subject of advertising.

For practical suggestions and methods, see "Poster Advertising," 1910, by G. H. E. Hawkins, Chicago; also "Newspaper Advertising," 1914, by the same author.

Henry S. Bunting, editor and publisher of the *Novelty News*, has written several books on new and special phases of advertising. *Novelty Advertising* and personal appeal is covered in his book,

“Specialty Advertising—The New Way to Build Business” (second edition, 1914); premium or profit-sharing advertising in “The Premium System of Forcing Sales: Its Principles, Laws, and Uses”(1913); his latest and best book, “The Elementary Laws of Advertising and How to Use Them” (1914, the *Novelty News Press*, Chicago), being a clear definition of the principles and laws which underlie all successful advertising, applying equally to the use of every kind of media.

CHAPTER XI

BUILDING AND TESTING AN ADVERTISEMENT

COPY is the term by which advertising men designate everything the advertiser puts into the space he buys. The right kind of copy is *built* rather than written or designed.

A copy writer should have accurate, comprehensive knowledge of the characteristics of the group

*What the
Copy
Writer
Should
Know* to whom the copy is to appeal. He should *know* what the wares advertised will do, and what they cannot be expected to do, in the hands of the consumer. He should

have before him an analysis of all competitors' advertising, so that he may not reinforce their work by using points which they have preëmpted. He should know what kind of salesmanship, written and personal, is to be used in connection with the copy. He usually is and should be responsible for the preparation of anticipatory and follow-up literature to be used in connection with advertisements. To do this most effectively, he must be thoroughly saturated and in absolute harmony with the sales policy of the house for which he is writing.

A copy writer should regard himself as an inter-

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preter between the man who has something to sell and the people who can use it. Many points which

The Copy Writer an Interpreter Between Advertiser and Buying Group the manufacturer finds interesting, in producing his wares, would only confuse the buyer and distract his attention. The purchaser is primarily interested in the satisfaction he derives from his purchase. The consumer's point of view differs radically from that of the retail clerk, or the dealer, or the salesman who represents the manufacturer in distributing his goods through the established channels of trade.

Unless the copy writer and the commercial artist can almost intuitively grasp the group spirit, and emphasize in words and pictures those points of the

Writing and Illustrating Advertisements with a Strong Group Appeal—a Natural Gift article being advertised which will appeal most strongly to the individuals which compose the group, their technical ability will count for very little. I am convinced that the number of persons who can write or illustrate copy which sells goods is comparatively small.

The successful copy writer must have a natural bent or gift for it, somewhat akin to the reporter's "nose for news." It is certain, however, that experience and the following of generally accepted standards will develop, intensify, and make more practical a natural gift for writing and illustrating copy.

The novel and spectacular can generally be found within the advertiser's organization or in the wares produced. The copy writer who gives to the reader the

impression that he has *created* the novel or sensational features of the advertisement defeats its purpose.

When the size of an advertisement and what is to be said in it have been determined, the best plan is for the copy writer to make a diagram, enclosing the exact amount of space to be used; then indicate that portion which will be reserved for illustration; locate with heavy lines, or letter in, the large display words, in order to get the proper emphasis and balance for the principal points; and finally fill in the remaining space with text matter.

It is a great mistake to believe that, because people remember very little of what they see, an advertisement should consist of very few words. We remember Dickens' characters because he restated their peculiarities again and again until they were unforgettable. A good story writer grips the reader's attention in the first paragraph and carries it through column after column of interesting matter; all the time burning into his consciousness the points which are to be emphasized.

Display advertisements serve two purposes: (1) they impress the casual reader, and (2) they put the buying impulse into the mind of the possible customer. Both kinds must be considered in making a layout. An advertisement needs to be a good one, even if it is to have no more attention than that casually given to a poster. Small type should be saved for *clenching*

*Diagram-
ming the
Advertise-
ment*

*Brevity
Not
Necessarily
Good*

*Advertise-
ments Must
Attract and
Create
Desire to
Buy*

the buying impulse, for if the reader takes time to read the small type, it means that his curiosity has been aroused by the display features.

In the first edition of this book I described the ten tests which I originated and used for many years in judging copy before printing it. These ten tests were: (1) Is it institutional? (2) Is it natural? (3) Is it specific? (4) Is it timely? (5) Is it pertinent? (6) Is it consistent? (7) Is it persistent? (8) Is it authoritative? (9) Is it plausible? and (10) Is it sincere?

After mature thought I have come to the conclusion that there are but five fundamental tests.

The reader will agree with me, I am sure, that Consistency and Naturalness are qualities of Institutionalism, that the test of "Is It Forcible?" includes the questions of Persistency and Authority, and that an advertisement cannot be Specific without being Pertinent, and cannot be Plausible unless it is Timely.

The five tests as they now stand are: (1) Is it institutional? (2) Is it specific? (3) Is it forcible? (4) Is it plausible? (5) Is it sincere?

*Five
Tests of
an Adver-
tisement*

These tests are not intended to guide creative work. They should be applied before advertisements are given their final approval. They will be of use to the copy writer, to the retailer who has an advertising manager, to the manufacturer, to the sales manager, and to the salesman.

(1) *Is your advertisement institutional?* An institution is composed of individuals who have many thoughts in common. The circulation of a successful publication is institutional. The group which reads a single publication, day after day, will unconsciously be influenced by and then accept its institutional viewpoint. A well-managed business house develops an established order of doing things. This makes it institutional in character.

The best copy reflects the institutional quality of the business which it is promoting, and takes cognizance, in its appeal, of the institutional traits of the readers.

Does your advertisement appeal most strongly to the group spirit of the people to whom it is directed? To answer this question one must have complete data as to the tastes, incomes, ideals, purposes, and habits of life of the group which is to be influenced. It also calls for the intelligent scrutiny of the reading pages of those publications which have the largest circulation in that group.

An advertisement should carry over to the reader the individuality of the advertiser. Some publicity fails because the writer of it is under the strain of being unnatural. His copy is forced, and does not ring true. A good advertisement is a mental photograph of the policy and principles of the advertiser, presented in a way that makes the reader feel that they safeguard his best interests. The copy writer must be able to interpret the advertiser's personality,

and so to express his ideas in print that they are instantly recognized as a sincere message from him. The copy writer is a success who can make his copy carry over to the reader that intangible something which pervades every successful commercial organization.

Each advertisement must be a perfect link in the chain of the advertiser's selling policy. It should not be printed unless it will have intelligent and sympathetic coöperation from the advertiser's salespeople. Methods that bring success to one institution are often ridiculously useless for another. To exploit a bank in the extravagant superlatives of a circus publicity man would be absurd and disastrous. On the other hand, some advertisers, fearing to appear undignified or sensational, actually say nothing that is interesting in their announcements.

(2) *Is your advertisement specific?* If it lacks individuality, an advertisement helps competitors as much as it does the institution which is paying for it. To find out whether or not an advertisement is specific or merely generic, substitute the name of a competitor. If the advertisement is just as good for a competitor, it lacks individuality. A specific advertisement meets conditions squarely as they are, not as they ought to be. It gives a definite reason for demanding the prospective customer's immediate attention, and justifies its existence from the viewpoint of the advertiser.

It should so concentrate attention on the article

advertised that the reader will be completely absorbed in and unconsciously obtain a clear idea of what the story tells for the reader's benefit, rather than be impressed by the manner in which it has been told. If the cleverness of wording, or a too challenging illustration divert the reader's attention from the article itself, the advertisement is a failure.

Many manufacturers have frankly stated that there was nothing in what they made that could not be honestly claimed by a number of their competitors.

They believed it impossible to prepare advertisements that could be approved under the test of "Is it specific?"

The clever copy writer has presented points that might truthfully be claimed for all manufacturers in such a novel, forceful, and convincing way that they impressed the reader as being individual to the advertiser.

Thus, if an article of merchandise lacks strikingly individual points, it is often possible for the copy writer to feature minor points so strongly that they are invested with the quality of specific distinction in the consumer's mind.

Should others follow the advertiser's lead and emphasize the same points, they stamp themselves as imitators or followers. The position of the pioneer is often strengthened by efforts of competitors who endeavor to divide honors with him. The public instinctively turns away from the man who claims the credit due another.

Most people, if asked to name the highest mountain in Colorado, would say "Pike's Peak." But the fact really is that there are twenty-six that are higher. No one could estimate how many pages have been written about Pike's Peak, or how many times its name has been mentioned in magazines, newspapers, or by word of mouth; but all agree that in that way, and that way only, has it acquired its distinction—a quality that is specific in the sense of this test—in relation to all other Colorado mountains.

There are many articles that are really staples and are known only by their trade names. No one knows whether there are twenty-six or more equally good ones. The consumer's preference, which is a mixture of experience, familiarity and friendliness, is the manufacturer's biggest asset.

(3) *Is it forcible?* An advertisement must always appeal to sentiment to be forcible. There can be no impulse to action unless one wants to do what is suggested in the advertisement.

Reason, logic, and analysis never have and never will create desires. At most they merely justify action prompted by desire. The buying impulse must be aroused to action through an appeal to sentiment if an advertisement fulfils its mission.

An advertisement should be written with due regard to the viewpoint of the purchaser. "How is it made?" does not interest him so much as "What will it do for *me*?" It is often well to humor pretended motives, and subtly to suggest the real

ones. Many a piano is bought for another purpose than to develop the musical talent of a family. The purchase actually marks its social advancement from the bread-winning state to the possession of a recognized luxury.

Suggestion, the most potent element of personal salesmanship, is utilized no less effectively on the printed page. A father who believes that the possession of a diamond would foster in his daughter a love of display and extravagance will not buy her one; but he might be won over by the suggestion that in no other way could he make so concrete and permanent an expression of the sentiment he entertains for her. It is often a devious mental route which leads to the purse-strings of the public.

The leaders of the masses have one distinguishing characteristic in common—they are confident in affirmation. The advertiser must at all times and under all conditions maintain an authoritative tone. No one believes a man whose advertisements show that he does not believe in himself.

Yet too wanton an exhibition of self-confidence is dangerous. The public will side with a man who demonstrates his leadership, but it cannot be bulldozed. The results of advertising are dependent upon the voluntary action of free people; threats, scares, or pessimistic utterances never make friends or customers. Optimism is a confidence-inspiring tonic. The optimist who is tempered by self-control is the successful advertiser.

A trademark indicates that each advertisement containing it is one of a series, and that the use of advertising space is the established policy of the house. In no other way can a merchant win confidence or establish so thorough a credit with the public as by advertising prudently and persistently. Confidence is a plant of slow growth, and persistency is its sun, rain, and fertilizer. A persistent advertising campaign covering a period of three years in legitimate publications will seldom fail to produce a "good-will" asset worth at least as much as the amount of money spent for space during that time.

Affirmation, optimism, self-reliance, persistence, and suggestion are all characteristic of forcible expression and can produce results not justified by reason, logic, or common-sense, but of course I am not advocating such preparation but merely emphasizing the necessity of bringing to bear all forces properly coördinated.

(4) *Is it plausible?* The word "plausible" has been in bad company. Its exact meaning is "to tell a story so that it is most acceptable to the reader." All advertising should serve the reader. Therefore the truth should be plausibly told if in that way the reader can most easily grasp it.

It is not enough that an advertisement tell the truth. The reader must *believe* before it can bring results. Good advertising copy is 100 per cent. salesmanship, not 125 per cent., which the wise buyer discounts at once, nor 75 per cent., the weak

refuge of negatively honest men who endeavor to conceal their own shortcomings by decrying others. One hundred per cent. salesmanship is the ability to state in an interesting and convincing (hence plausible) manner all the desirable features of an article.

Timely advertising inspires the belief that the advertiser is wide awake. From the general trend of events, successful general advertisers forecast conditions for the various seasons of the year, and make plans months ahead. The retailer should do likewise as far as possible. A patchwork campaign constructed from day to day in a hit-or-miss fashion can never bring satisfactory results.

Should the advertiser wish to take advantage of some unusual event, it is very easy to substitute a piece of timely copy which will be in harmony both with what has preceded and with what is to follow. In conducting an editorial or a feature campaign, a newspaper is almost sure to create and crystallize a sentiment upon which an advertiser can "cash in" by adapting his copy to the timeliness of the reading pages. Plausibility is offering the public what it wants just when it ought to want it most in a manner that is most acceptable.

Galileo's bold assertion that the world was round has been criticised by some as being untimely, and it certainly was if we judge it from the standpoint of the state of mind of people of his day.

There is no doubt that a good advertising man could have shown Galileo how to announce his truth

in a plausible manner so that he would have won honors by it and not have been compelled to recant to maintain the social status of his family.

The Pope might have been approached, convinced, and then given the first opportunity to make a public announcement.

Certainly Galileo would have fared better personally had he followed the well-established and authoritative channels of dispensing knowledge to the people rather than to have antagonized them. His truth needed plausibility in its presentation, and modern advertising clearly recognizes this and makes the most of it.

(5) *Is it sincere?* The best advertisement is one which unconsciously influences a reader to buy, honestly feeling that he or she has followed his or her own judgment.

The advertisement with an earnest and sincere message burning through it—no matter how crudely the idea may be expressed—will command a respectful hearing.

Sincerity is shown in the use of simple sentences and terse, frank statements. There must be an absence of all obscurity or indirectness.

Clearness of expression, fidelity in illustrations, accuracy in descriptions, are all the natural result of a sincere state of mind on the part of the advertiser.

Sincerity is something that cannot be assumed. It must actually exist, and where this is the case the matter of expression can be largely left to itself.

For immediate dollars-and-cents returns from advertising, plausibility may be placed before sincerity. Yet mere plausibility in advertising, no matter how skillfully it has been utilized, has not built one genuine success.

Plausibility backed by sincerity finds in the field of advertising unlimited possibilities of expression for the creative spirit of this age of industrial activity.

It might be safely stated that plausibility and sincerity cover the whole range of advertising expression.

Assuming that sincerity covers a comprehensive knowledge of the subject, and a desire to present only the merits of the article to be advertised, it could be claimed that making one's story acceptable to the prospective customer was all that was necessary.

Plausibility in its fullest sense requires a complete appreciation of the needs and desires (both active and latent) of possible buyers, and a mastery of ways and means by which they can be aroused, stimulated, crystallized, and then persistently sustained in the form of active demand.

The subject of advertising embraces a constant study of human wants, needs, sentiments, aspirations, and desires, and the acquiring of skill in catering to them.

It gives opportunity for the use of the best abilities with which mankind is endowed or which may be acquired.

It is not a pastime for the mediocre, the timid,

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the pessimistic, or those who are willing to devote anything less than complete consecration of abilities and powers to the work in hand.

REFERENCES ON CHAPTER XI

So far as I can remember, the word "advertising" does not appear in Barrett Wendell's fascinating book with the uninviting title of "English Composition." I question if any book has more in it of direct value to advertising men than this work of Harvard University's Professor of English, published by Charles Scribner's Sons (New York, 1891). It contains many paragraphs as pertinent as this:

"Style, the expression of thought and feeling in written words, must affect readers in three distinct ways—intellectually, emotionally, and æsthetically. To the qualities in style which produce these effects we give the names Clearness, Force, and Elegance. But any piece of style presents to the eye only those arbitrary marks that common consent, good use, has made significant of those arbitrary sounds—words—that good use has made significant of certain more or less definite phases of thought and emotion. The qualities of style, then, can be conveyed from writer to reader only by means of the way in which these black marks are chosen and arranged—in brief, only by our choice and composition of words. In a given piece of writing, then, we may discover why a given quality is present or absent by analyzing the elements presented to the eye."

CHAPTER XII

APPLICATION OF THE FIVE TESTS

IN ORDER that the reader may have at hand definite material to which he can apply the principles outlined in the previous chapters, and particularly the five tests given in Chapter X, characteristic newspaper advertisements of John Wanamaker of Philadelphia, Marshall Field & Company of Chicago, Filene's of Boston, William Taylor & Son of Cleveland, B. Altman & Company, Saks & Company, and the Rogers Peet Company of New York City, and the Tobey Furniture Company, Chicago and New York, are given here. I have purposely chosen firms whose advertising is generally considered to be the best in the retail field.

In each case the test of institutionalism is justified by the tone of the advertisement as a whole.

Institutionalism as Embodied in Newspaper Advertisements By years of patient and continuous advertising each one of these stores has built up a constituency which possesses individual and distinctive characteristics, and responds to a form of announcement that has stood the test of time, and suggests confidence because of familiarity.

B. Altman & Co.

have prepared for to-morrow (Thursday)

An Interesting Sale of Women's Summer Blouses

In attractive styles and such desirable lingerie fabrics as batiste, organdie and voile, at the exceptional prices of

\$1.90, \$2.25, \$3.75, \$4.65 & \$6.75

In the regular stock of the Women's Blouse Department will be found Sports Blouses of imported silk Jersey, in all the desirable shades. These Blouses are particularly desirable for golf, tennis, motor and general sports or travel wear.

B. Altman & Co.

The Corset Department

has ready for selection a large and comprehensive assortment of Summer Corsets, made of the thin materials indispensable for warm-weather wear. Among them are Corsets of openwork material, plain and figured batiste and all-over embroidery; also of extremely light-weight tricot and tricotine. These Corsets are shown in the regular stock at prices ranging from \$1.00 to 15.00 Summer Brassieres and Soutien-gorges, made of net (with shields), cambric, all-over embroidery, silk tricotine, etc., are shown in the regular stock of the Corset Department variously priced at 50c. to \$8.50

FURS, RUGS AND DRAPERIES
STORED IN VAULTS ON THE PREMISES

(Telephone 7000 Murray Hill)

34th Avenue, 34th and 35th Streets, New York.

Today and Tomorrow
the last two days for

Men's High & Low Shoes at these reductions

Button, lace and Blucher styles, in patent coltskin, gun metal calfskin, black and brown vici kid, and tan Russia calf. And every pair made on a new last, especially designed for us, that these Shoes may conform to current footwear modes and yet be readily distinguishable from the average.

\$5 High and Low Shoes at \$3.85

\$4 High and Low Shoes at \$2.95

Men's Duster Sale

In our Motor Apparel Dept.—today

\$7.00 Dusters at \$4.75

Mohair and natural linen dusters of very serviceable quality, in single and double breasted models.

\$12.00 Dusters at \$7.50

Imported pongees in gray and tan and mohair in medium gray, made in either single or double breasted models.

Very special for today and tomorrow—Men's

\$1.50 Negligee Shirts pleated and plain at 95c

No half-way merit about these values—they are simply great. Made of Madras, percale, crepe and mercerised fabrics, in a splendid assortment of designs and colors.

Extraordinary sale today and tomorrow of

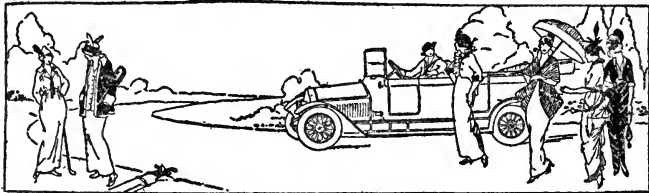
Men's \$6.00 Blanket and Terry Bath Robes at \$2.85

New—not resurrected patterns—but new, snappy merchandise, marked at a special price for a one-day drive. A splendid assortment of designs.

Saks & Company

Broadway at 34th Street

Better telephone Oxford 1 and have your Furs put in Safe Cold Storage at once



Filene's

ALL ABOARD FOR SUMMER

Filene's

What are your summer plans—beach, mountains, or a cool piazza with a turn on the links or a run in the car for the cooler hours? Whatever they are, this store stands ready as usual with the right clothes at the right price.

Business hours 9:00 to 6:00 (including Saturdays) during June and September.
Closed all day every Saturday during July and August, 1935 to 2 other days.

In this progressive specialty store, Summer is a separate season, not a "tag-on" to Spring. Our stocks show it. Seen these columns of store news in vain for even a mention of anything that is not entirely summery

Saving Money Is Pleasant, Even on Class Day and Commencement Dresses

Tomorrow one can come into the women's dress shop and buy a charming lingerie frock for a Class Day campus, a white net Commencement dress, or a silk dress for a Class Day spread for much less than such dresses usually cost, even here.

Plenty of Summer dresses from wedding gowns to street frocks are ready, too, for the demands that June will make.

\$15 for \$25 Lingerie Dresses

The first embroidery-bordered voile dresses we have seen with the very long new tunic. Fashions of more ribbon.

\$15 for \$25 Net Commencement Dresses

These are the result of some very clever designing. The skirt has succession of bouffants, each shorter than the one above; the waist has deep "burgers" frills; sash is taffeta-brocade.

(Fifth Floor)

(Fifth Floor)

Figured Crepe and Velvet Ribbon Made This Unusual Dress at \$15

Only costlier dresses, we believe, have shown this bordering of long tunic and wide girdle with black velvet ribbon. Mosaic silk-and-cotton thin crepe in rose, green, blue or black. Usually \$22.50.

\$18.50 for \$25 Crepe de Chine "Quaker" Dresses

This dress is notable for the new pointed "Quaker" collar of white organdie and the long bow-shield tunic below the hips. Cool blue, green, brown, black and white.

(Fifth Floor)

Women's \$40 New Silk Suits, \$25

The model is the very one we have been selling in moire at \$40. These suits are of fulle, in black, navy, blue, light blue and taupe. The fullness of the coat is held in with big silk cords. Long tunic skirt.

\$25 New Blue Cloth Suits at \$15

One is the most successful plain-tailored model we have had at \$25. It is of serge, with button-trimmed coat and tunic skirt. The other is very similar to what the Fall suits will be. It is of serge and poplin with long Russian tunic and Pajama coat-tail.

(Fifth Floor)

\$15 Cool Linen Suits for \$10

One has kimono sleeves coat and long "flattail" tunic. Another has Medici collar, lined with white pique, and three-tier skirt. WHITE SERGE SUITS are ready at \$16 to \$40.

(Fifth Floor)

Crest Brand Underwear

will not shrink, fits without fuss, and is cut to stay up on the shoulder where it belongs.

Women's Crest Brand Union Suits are 50c and more.

Women's Crest Brand Vests are 25c and more.

(Fifth Floor)

June Sale of Aprons

59c for \$1 Apron Sets

Ferrets, doghairs and chimney aprons, with one to match, attractively trimmed; allow sleeves; button in front.

79c for \$1.25 Dress Aprons

Plaid percale dress aprons fastening to waistline behind; gird skirt fitted at waist; kimono sleeves; colored embroidery piping. Sizes 34 to 44.

\$1 for New Reversible Dress Aprons

can be worn with either side in front, giving double service; adjustable belt. Made on accurate dress patterns. Sizes 34 to 44.

\$1.39 for \$1.75 New Crepe Apron Sets

A Flare line. Delicately crepe edged with Val. lace. New shaped neck and puff sleeves. Graciously 34 to 44.

(Fifth Floor)

Renova Cleansing

5-Day Guaranteed Cleansing Service

16-Year Girls Cleansing Service

Specials for This Week

Girls' and Children's Dresses

Specials: \$1.99 to \$11.99

St. (Specialty \$1.99)

(Fifth Floor)

Girls'

Muslin Dresses

Flowered muslin tunic dresses edged with baby lace for girls of 6 to 14 are only \$2.

Dotted muslin "tym" dresses with low achen, button from neck to hem. 6 to 14 years. \$3.

Growing girls of 12 to 17 years for whom we are going to much pains to get right dresses, may have flowered muslin tank dresses and stripe muslin divided-tunic dresses. \$3.95.

(Fifth Floor)

Satin Hats Are Gleaming in the Millinery Shop

White satin or blue-satin hats, decked with little wings or wound around with a soft pink bird-braet.

PANAMAS were never more irresistible. Here are big and little ones, beaded or winged, all as cool as they look.

KNOX sailors, horse-hair lace hats and soft crepe hats are other tokens of Summer in the Millinery Shop.

You can pick up a charming Summer hat here for surprisingly little. \$5 and \$7.50.

(Fifth Floor)

The "Eleanor Wilson" Cape

has come to the Women's Coat Shop. It is made in the same way as the one chosen by the daughter of the President for her tresses. Black satin, lined with black and white stripes silk, tied with long ends that pass around the waist.

Capes Have Come to Stay

Here are dress capes and sport capes, and capes that can go anywhere; in satin, devyette, checks, sponge or serge.

At \$10.75 are breasted, surges and checks, with big cape sleeves; and loose honey-comb sponge capes with short belted front.

At \$15 are wonderfully good devyette capes with Roman stripes moire waistcoats. Inverses cape coats with sleeves are \$15.50.

Serge coats with removable capes are \$19.75.

(Fifth Floor)



Five-Dollar Tub Skirts

Pique, ratines, khakis, flares, crepes and burrito-coat skirts, tunic skirts, "apron" skirts, Russian skirts and belted skirts. \$5.

Two strangers in the Skirt Shop deserve a mention. One is of fine corduroy, with tailored hip-flounce. The other is a Coesack linen with long "apron" tunic. Each is \$5.

Other Tub Skirts are \$5 to \$15.50.

(Fifth Floor)

Summer Sale of Negligees

Just the cool, comfortable garments that are indispensable when summer rolls around. We have prepared three different kinds, each in crepe, one in voile, and one in crepe de chine.

\$1.50 for \$2 Flowered Crepe Kimonos

Sizes are 34 to 44 inches. Hems are cutaway, neck and sleeves are finished with pleated frills.

\$1.95 for \$2.95 Figured Voile Negligees

They look so good that one couldn't find otherwise in them. Deep collar and cuffs of mail and net-trimmed muscad.

\$5 for \$8.95 Crinkled Crepe de Chine.

Light or dark colors. Loose, wrappy and simple, with fine pleated all lining at neck and sleeves.

(Fifth Floor)

TOBEY-MADE FURNITURE

—is the achievement of an artistic ideal, rather than of a commercial ambition. It is a product of the fine arts, rather than of a manufacturing process. It is the result of a sincere and deliberate intention to attain perfection, rather than of a strained attempt to outdo business competition.

The beauty of Tobey-Made Furniture is not only in the richly grained surfaces of the rare woods from which it is made, or in the always graceful lines of its designs, or in the exquisiteness of its carvings and decorations. It is an *organic beauty*—that of perfect structure, of fine workmanship throughout, of consistent execution of the parts which are not exposed to view.

Tobey-Made Furniture is sold only by the two stores of this Company. Each piece bears this mark, in copper:



Tobey-Made Furniture is the fruition of two generations of experience and single-purposed effort. It is neither experimental nor outre. It represents the faithful and rigid application of the highest standards of design and craftsmanship. It has long been in service in some of this country's finest residences, and exclusive clubs.

With the Tobey Service in interior decoration, it offers an opportunity which we earnestly invite you to investigate.

The Tobey Furniture Company

NEW YORK STORE, Fifth Avenue at 53rd Street
CHICAGO STORE, Wabash Avenue and Washington Street

Even a man with only a limited knowledge of human nature can easily perceive, after reading any one of these advertisements, the general characteristics of the typical person who trades at that particular store. Even the institutional characteristics of the cities themselves are reflected in the manner of approach.

For example, New England thrift and widespread education is suggested in the Filene advertisement: "Saving Money Is Pleasant, even on Class Day and Commencement Dresses." In William Taylor & Son's advertisement, "630 Euclid Avenue," is a subtle reminder of a beautiful street which has made Cleveland famous the world over.

Where else but in Philadelphia would the importations of Camille, of Paris, and "Radical Changes in Silk Sports Coats" be followed by "Low Price Dress Lengths?"

What is more characteristic of the Chicago spirit than the statement, in the Marshall Field & Company advertisement, that the "New Wabash Avenue Salesroom for Women's Street Dresses has been open but one week. Yet during that time thousands of women of Chicago have visited this addition."

The formal, conventional announcement of B. Altman & Company is characteristic of Fifth Avenue. The announcements of Saks & Company and the Rogers Peet Company breathe the spirit of the

“Great White Way.” The Tobey advertisement reflects what New York and Chicago possess in common. All these advertisements are institutional in reflecting the spirit of the cities in which they are located, the group spirit of the particular classes to which the store appeals, the institutional spirit of the store itself, and its attitude toward that portion of the public which it sells.

*A Big
Store Is
a Big
Group*

Most advertisements which represent positive constructive work fail of their complete mission in that they would be equally valuable to a competitor, merely by changing the name of the advertiser.

But each one of the advertisements exhibited here fully meet Test No. 2, “Is it specific?” All of them give descriptions and prices, except the Rogers Peet Company, which, however, emphasizes particularly the one thing which could not be said of any of its competitors: “Three Broadway Stores.”

Each one of these announcements is consistent in illustration, typography, and diction. And there can be little doubt that in institutions so well managed, where every detail is carefully planned, so that the best interests of the consumer will be promoted constantly, the space given to each department bears a consistent relation to the business as a whole.

*Every
Detail
Carefully
Studied*

Test No. 3, “Is it Forcible?” applies with special force to each one of these announcements. The student of advertising can well afford to analyze them carefully,

determining to what extent sentiment has been appealed to by these conspicuously successful advertisers.

Every one knows that each one of the firms whose advertisements we have reproduced is in business to make money. But in each announcement the thought made most prominent is service to the consumer, proving that each advertiser believes that sentiment is the mainspring of action and controls the expenditure of money more often than do reason and logic.

*Sentiment
Is Always
the Basis
of Action*

Persistency is suggested in each one of our exhibit advertisements by the trademark signature or heading, which is individual and characteristic.

My readers will agree with me, I am sure, that Test No. 4, "Is it Plausible?" is completely met by each one of these announcements.

Test No. 5, "Is it sincere?" also is satisfied. We all know that the merchandising methods of each one of these advertisers are sound, and that they make only claims which are absolutely backed by their merchandise.

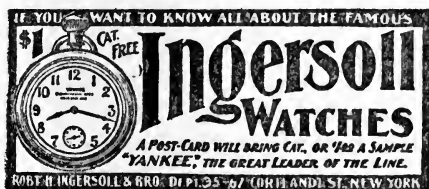
One of the paradoxes of advertising is the fact that the store of B. Altman & Company, at Thirty-fourth Street and Fifth Avenue, New York, bears no sign whatever. Yet everybody knows it is Altman's store.

*A Store
Without
a Sign*

The fundamentally sound merchandising ideas according to which Mr. Altman established this business, during a busy and thoroughly useful life, still dominate its policy. Its advertising de-

serves careful study by those who believe, as I do, that the true mission of advertising is the expression of salesmanship which best serves the buyer.

Altman's advertising has been criticised as being too dignified and lacking characteristics which are supposed to be essential to successful advertising copy. Yet it may well be questioned whether to the Altman group of purchasers any other form of announcement would be so pleasing.



*The first Ingersoll watch advertisement, 1893
(Actual size)*

Mr. William H. Ingersoll, of Robert Ingersoll & Brother, has favored me with a copy of the first advertisement which his house put out, in 1893; also with a full page in the *Saturday Evening Post* of November 2, 1912, which he believes is the best advertisement they have ever published.

The history of the Ingersoll watch is particularly interesting, because it opened up and thoroughly occupied a new field.

The Five Tests Applied to Magazine Advertising No one in position to speak authoritatively claims that the Ingersoll watch has in any way interfered with the sale of watches of higher price.

Many persons own and use an Ingersoll watch for hunting, fishing, and other purposes, because they do not care to risk the loss or misuse of a higher-priced article.

The first advertisement put out by the Ingersoll watch is interesting as a bit of history; the full page meets all the five tests.

The universal and constant appeal of the kodak is splendidly expressed in the Eastman Kodak Company announcement; but coupled with it is an immediate sales-impelling suggestion which must produce definite, positive business.

*The Secret
of Success
in Eastman
Kodak
Advertising*

We are all constantly confronted with the necessity of deciding what to give as a wedding present, and the assistance which the Eastman Kodak Company gives one here is service indeed.

By reproducing the package, the Old Dutch Cleanser announcement makes the best possible use of the sales talk of specialty men who call on the retail trade, house-to-house canvassers, and store demonstrators.

*Keeping
the Demand
Active for
Old Dutch
Cleanser*

In like manner the reference to definite specific information on the package means the increased use of Old Dutch Cleanser in homes where now it is perhaps bought and used for only one purpose.

The American Telephone and Telegraph Company's advertisement is especially commendable for accomplishing what is obviously its purpose. Com-

petition between telephone systems is not service to the ultimate buyer if rates are reasonable and the scope of service is continually enlarged. As long as the American Telephone and Telegraph Company indicates, by its announcements, that it desires to give the public service, people generally are much more apt to believe that it is sincere in that purpose than they would be if it maintained a dignified silence on the subject.

*Advertising
to Enhance
Confidence*

The general effect of the Swift advertisement is particularly good, although I am generally afraid of white letters on a black background, except for a brief heading in large letters. Legibility is always sacrificed, to some degree at least.

*Focussing
Demand on
Swift's
Premium
Ham*

This advertisement contains valuable information for housewives. The specific point made is bound to influence the buyer to specify "Swift's Premium Ham," instead of saying merely that she wants "some good ham."

The Hydraulic Press Brick advertisement deals with a ticklish subject in a frank, straightforward manner. The expression of their confidence, in putting it up to the architect, is sure to impress him favorably. The service offered him, by giving him genuine information in the booklets, is a subtle and commendable appeal for the good-will of house builders.

*The Subtle
Handling of
Hydraulic
Press Brick
Advertising*

The National Lead advertisement makes a most effective appeal to sentiment. They are fortunate in that there exists in the minds of painters generally throughout the country a deep-seated prejudice in favor of lead and oil as against mixed paints. Their desire to maintain this sentiment and create the impression of being willing to give valuable advice when requested, is good business judgment. Their sales prove it.

*Appeal to
the Sentiment
by
National
Lead
Company*

The Quaker Oats advertisement deserves special commendation. The economy of the 25-cent size is emphasized, without sacrificing the appetizing suggestion of good oats well cooked. The fine type in the small paragraph reiterates the strong points of previous advertisements. The cumulative effect secured in this way is one of the most valuable assets of an advertising campaign.

*Quaker Oats
Advertisement
Is Well
Rounded*

The Holeproof Hosiery announcement is unusually effective in illustration, *two* women and *one* man, thus laying particular stress upon the fact that Holeproof Hosiery is made for men *and* women, especially "women."

The Ivory Soap advertisement is interesting because of the amount of space given to the illustration. In marketing a 5-cent soap the manufacturer *must* create an atmosphere of quality which will offset the impression made by its low price. But he sometimes finds this difficult. The Proctor & Gam-

ble Company has shown great wisdom in illustration. In this particular advertisement, illustration and text strengthen each other; each adds to the force of the other. The title of the booklet suggests increased service to people who are already using Ivory Soap by teaching them new uses for it.

The Hart, Schaffner & Marx advertisement is an interesting departure from the style which they used for many years—the ideal figure, in a natural pose, his clothes showing creases and wrinkles wherever they occur when actually worn.

The Mail-order Idea in General Publicity Advertising

The mail-order idea, i.e., to give more information to people who ask for it, is the keynote of this particular advertisement. The effect of a fine style book, sent to all who write for it, is far-reaching.

Inquiries from high-class prospects handed to the travelling salesmen and properly used by them in talking to local dealers are bound to stimulate the dealers to use the advertising helps which Hart, Schaffner & Marx sell their agents. I use the word "sell" because this firm sensibly takes the stand that advertising material which is given away free is valued accordingly. A price which partially covers the cost of production is the best assurance that the dealer will make the most effective use of it.

As examples of effective mail-order advertising I

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have reproduced three Sears, Roebuck & Company announcements (indicating the wide scope of this
Comments on Mail-order Advertisements successful mail-order institution) and one of the advertisements of the National Cloak & Suit Company.

The latter makes the most of the word "National"; also of its New York City location, which, to a large group of buyers, stands for that intangible something called "style."

The Sears-Roebuck announcements are characteristics in that the successful mail-order house seeks, first of all, to get the catalogue, their real salesman, into the hands of persons who have been induced to express a desire to possess it.

I have reproduced only two outdoor advertisements. Mr. O. J. Gude told me that he considers the White Rock electric sign the best thing that has ever been done in that line.

It may seem difficult to apply the five tests to an electric sign, a bulletin, or a poster, but I recommend making the attempt, for the reasons previously given.

Take the White Rock sign, for instance. Is it institutional? It stood on Long Acre Square, the night centre of New York City, the place to which come the largest number of free spenders from all over the United States.

White Rock, as a trademark, has been associated with sales talks and educational advertising all over the United States. Its reproduction here reiterates,

reaffirms, and reinforces all that has been said about it. The night life of New York City is an institution in itself, and the White Rock sign, with its brilliant light, was in complete harmony with this institutional spirit.

It is specific (Test No. 2) because the White Rock trademark, in its peculiar, distinctive form, is accurately reproduced.

It is forceful in suggesting a high-ball, because White Rock appeals to the men who drink high-balls as well as to those who want a drink which does not seem cheap or puritanical.

The suggestions of persistency and authority (both forceful elements) are contained in the size and location of the sign.

Certainly the story is plausibly told. The clock adds much to the acceptability of the broad suggestion, "for all time." The sincerity of an institution which spends so much money to tell its story is not open to question.

It is certain that the orderly and systematic application of these five tests to any piece of printed matter, or to any announcement of any kind, in newspapers, magazines, or outdoor display, will stimulate greater care in the preparation of copy and more attention to the interests of the final buyer, thereby benefiting the advertiser's business as a whole.

*The Five
Tests Can
Be Applied
to Any Kind
of Advertising*

CHAPTER XIII

ADVERTISING AND SELLING THROUGH THE ORDINARY CHANNELS OF TRADE

BROADLY speaking, there are five recognized routes by which merchandise travels from the man who makes it to the consumer.

Perhaps the most important is (1) *from manufacturer to wholesaler or jobber, from the wholesaler to the retailer, and from him to the consumer.*

The place of the retailer in the distributive chain is universally conceded. Mail-order successes prove that many kinds of goods can be marketed by mail. But the retailer will always handle the bulk of the supply of the American family.

*The
Retailer—
the Biggest
Link in the
Merchan-
dising Chain*

The retailer's stock is complete, if he be progressive and easy of access. Merchandise can be seen before it is purchased. Very often the credit which the retailer can extend is a real service, which brings him a goodly share of the business of his trade territory.

The position of the wholesaler may not be so clearly defined. At first glance it might seem that the toll he exacts might better be taken from the sell-

ing price and his service dispensed with. It would not pay, generally. He has a function, and is indispensable in most cases. He keeps a finger on the pulse of local conditions. The manufacturer can afford to sell to him at less than the price to the retailer, for the service the jobber renders could not be duplicated by the manufacturer for the differential he allows him.

*The
Functions
of the
Wholesaler*

The wholesaler buys in much larger quantities than the ordinary retailer does. He relieves the manufacturer of all work and detail in connection with credits, selling small orders, and collecting small accounts. He pays for what he buys and assumes entire responsibility for his own sales. He is particularly indispensable to the manufacturer of an article of comparatively small consumption.

In such cases the volume of sales to each retailer is so small that it would be foolish for the manufacturer to do business with individual retailers, either direct or through salesmen.

The wholesaler is of great value to the retailer who does business on a small amount of capital.

*The
Wholesaler
as an Aid to
the Retailer*

His stock is large. Retailers in his territory can draw upon it and get the goods at once; so that it is not necessary for them to cumber their small space with large quantities of each of the lines they handle. The wholesaler is safe in granting credit, because he is on the ground and knows the retailer's financial status.

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Some manufacturers selling privately branded goods in staple lines of steady consumption give the exclusive sale of it to one jobber in a territory.

The Exclusive Jobber Plan This gets more coöperation from the jobber, for if he has the right kind of a contract, he is building for himself as well as for the manufacturer. The exclusive jobber plan has been successful, especially when supported by general advertising. Specialties of small consumption have never been marketed advantageously through exclusive jobbers; this method is feasible only when it is possible to divert an established demand to an advertised, trademarked brand. It will not create a market for a novelty. It would not do for an unbranded article.

Most manufacturers sell to all reputable jobbers. They cannot expect these jobbers to put any special effort into selling their goods, because the jobber specializes on distributing, and is not equipped for creative selling. It is, therefore, the business of the manufacturer to create his own market—by advertising to the consumer, by interesting the dealer with specialty work, and by trade journal publicity.

The Advertiser Must Create His Market—the Jobber Is a Distributor Almost all manufacturers who distribute their products nationally through the wholesaler do some specialty work on retailers at their own expense. The orders taken by the specialty salesmen are filled through the wholesaler, who takes over the accounts. The wholesaler can fill the orders more promptly, he

is better equipped for looking after repeats, and he assumes the retailer's accounts. These functions make his service worth while to the consumer, retailer, and manufacturer.

Some manufacturers put up goods under jobber's private brands. But it militates against the manufacturer who wants to sell his own brands, and against the one who sells bulk goods. It is, nevertheless, legitimate competition.

Many manufacturers sell direct to the retailer—the second channel.

The manufacturer who sells through an exclusive dealer eliminates the wholesaler.

*Selling the
Retailer
Direct* This method has been so highly developed in connection with national advertising in mediums of general circulation that I treated it in a separate chapter.

Selling direct to *all dealers* can scarcely be said to lower the price to the consumer, or to lower the manufacturer's selling cost, or even to increase the retailer's profit. For the manufacturer must take care of more detail in his office, must increase his travelling sales expenses in most cases, and must assume responsibility for retailers' accounts, which means more bad debts.

He may sell to retailers direct or through salesmen, and pocket the wholesaler's commission. But if he is after volume and big business, I doubt whether he would save money by eliminating the wholesaler.

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The advantage of direct selling is that it gives the manufacturer a more intimate knowledge of selling conditions, a closer grip on his own business. It gives him the master's share, and the power to extend substantial coöperation, if his product is good and his organization can maintain a volume of sales which justifies his sales expenditure.

*Reasons
for Selling
Direct*

Some manufacturers sell to both retailers and wholesalers. But if they sell to a retailer in the logical trade territory of a wholesaler to whom they have also sold, there will surely be friction. To sell the retailer at less than the wholesaler's regular price to him is not in accordance with the ethics of the trade.

Large retail stores that go direct to a manufacturer and demand wholesale prices are another problem, if the latter is committed to the general policy of selling to wholesalers.

The third channel is through a third middleman, the *manufacturer's agent, broker, importer, or exporter*, as the case may be. He buys from the manufacturer and sells to the wholesaler, who sells to the retailer, and the retailer sells to the consumer.

*The Third
Middleman
—Agent,
Broker,
Importer,
or Exporter*

The functions of the importer and exporter are fundamental. They get goods from foreign countries and ship domestic products to markets where they can be sold. Only the largest and most complete wholesale or retail establishments are able, in their own organization, to take care of the particular service of the specialist importer and exporter.

He sells to the wholesaler. He is seldom equipped for going direct to the retailer or the consumer. His margin of profit is small; volume is vital to his existence. Small sales do not interest him.

“Merchandise broker,” and “manufacturer’s agent,” are practically synonymous terms. The merchandise broker differs from the im-

*Broker and
Agent
Practically
the Same*

porter or exporter mainly in that his work is intra-national instead of inter-national.

He is the manufacturer’s exclusive representative for a certain field. In this field he represents from two or three to fifty different non-conflicting producers. His margin of profit is smaller than that accorded the wholesaler; he is after volume. He makes it possible for the manufacturer to approximate a unit system of distribution.

The manufacturer’s broker carries on most of the negotiations with wholesalers. All difficulties are referred to him for adjustment. He may have much to do with framing the general policy for his territory. He is (save the representative on salary from headquarters) the manufacturer’s most direct representative.

The broker seldom goes straight to the retailer. His commission will not permit it. He must go to the wholesaler, where each order means big business. If he does any work at all on retailers, it is for the purpose of influencing demand upon the wholesaler. Progressive firms, who employ a broker and want to get the maximum

*The Broker
Sells the
Wholesaler*

volume of sales, allow him to engage specialty men; or they send specialty men to work under his direction. These men call on retailers and stimulate demand upon the wholesalers by whatever arguments of merit, advertising, profit, or special coöperation seem best.

House-to-house canvassing of consumers, sampling, and store demonstration are means by which the manufacturer coöperates with the broker. The size of the manufacturer's organization, the amount of capital he has, and the universality of the appeal of his product must determine whether or not he will use brokers and the amount of coöperation he shall give them.

The fourth route is from the *manufacturer to the consumer*, with no intermediaries save the manufacturer's own representatives on salary or commission. This classification includes *Selling the Consumer Direct* (1) the mail-order house, (1a) the manufacturer selling by mail, and (2) the manufacturer who operates retail stores or sells direct through agents or salesmen.

Mail-order businesses are of two sorts. The primary purpose of one is to sell goods of its own manufacture, the business of the other is to sell goods by mail.

In the first class is the manufacturer who specializes upon a few articles; in the second, the firm that maintains extensive manufacturing establishments, and also buys from other manufacturers materials to complete its own extensive lines.

In Chapter XXII I have covered the mail-order method of selling in greater detail.

Some manufacturers sell the consumer direct through their own representatives who are paid either a salary or commission.

The automobile maker who maintains agencies or branches in different cities for the purpose of selling direct to the user is an example. But if he allows his cars to be sold by an independent local sales company, he must be accounted as using the second trade channel—manufacturer to retailer.

The sale of advertised specialties has developed a type of manufacturer's representative not at all like the ordinary merchandise broker, who goes to the wholesaler with a sample, quotes him a price, and wires his principal the wholesaler's offer. The manufacturer's representative selling advertised specialties must be a creative salesman in every sense of the word. He must understand how to conserve the value of the trademark. He truly represents the manufacturer in serving the customer and does not compete on a price basis.

Small specialties are often established by solicitors sent out from the manufacturer's office. Firms having only a small capital, and unable at the outset to advertise and sell in a big way, often use solicitors, for a time only, as a means of making the goods known and as a preliminary to selling through retailers. Specialties which are limited in appeal cannot be

*Introducing
Goods to
Consumers
by
Solicitors*

sold successfully by any other means. If the margin on them is small, the solicitor handles them as one of a number of articles which he is prepared to present to the consumer.

The manufacturer who operates retail stores is also a direct-to-the-consumer seller. In his advertising *The Manufacturer Who Operates Retail Stores* he often lays particular stress upon the statement that he has eliminated the middleman's profit and can, therefore, make the consumer a better price.

It may be he can, but I doubt it. He has taken upon his own shoulders the burden of maintaining a more complex organization and of handling many men on the road. In other words, he cannot eliminate selling expenses by going direct to the consumer. He may minimize it by perfection of sales equipment and the institution of economics in the supervision and conduct of his business.

Unless he is a wonderful organizer and a handler of men, he may find at the end of the year that his net profits are less, and that the public has fared no better. That does not mean to say that direct-to-consumer selling is not economical. It certainly must be backed by the highest type of business ability if the manufacturer is to make a success of it.

Chain stores are not always examples of manufacturer-to-consumer selling; they are simply organized retailing.

In the fifth channel, the mail-order house, instead of

going direct to the manufacturer, buys from his sales agent. This means the mail-order departments

The Mail-order House of large businesses whose chief concern may be either wholesaling or retailing, but which maintain mail-order sections.

It also covers the buying of goods by a mail-order house from an importer or exporter or a merchandise broker instead of from the manufacturer direct.

The conditions which control the production of an article, the amount of capital to be used for promotion purposes, the utility and value of the article itself, the distance which separates it from its market—all these things must be considered in choosing a selling method.

Almost all selling systems call for a middleman. Importer, broker, wholesaler, or retailer, whichever

The Middleman Essential in Almost All Selling Systems he may be, he is a helpful factor in distribution and has justified his existence. To market merchandise costs a certain amount of money, varying in accordance with the character of the merchandise and the ability

and the amount of work that the selling organization will put into a campaign. A manufacturer who decides not to employ middlemen does so because he has developed—or is convinced that he can develop—within his own organization the distributing ability which is the primary function of the middleman. Whether or not he can save money is a matter which he must determine for himself by trial.

The manufacturer must be a creative salesman, or surround himself with men who are, or his business will come to nothing. The middleman must be a producer—serving the consumer—or be eliminated.

Nothing that I have said in this chapter should be construed as endorsing the idea that the five routes I have outlined are the only correct ones for merchandise to follow. In many instances I believe radical changes in distribution should be made. There are manufacturers who sell to the jobber,

*The Middleman's
Functions
Should Be
Clearly
Defined*

through a sales agent; the jobber then sells to the retailer; the retailer sells to the consumer. There are many articles handled in this way which could be shipped in the original package, direct from the manufacturer to the consumer. Even if the sale were handled through two or three middlemen, still each party to the transaction would benefit materially by the change, especially the consumer.

The route of distribution should be governed by the character of the merchandise. The middleman should know definitely what his functions are, and should not attempt to handle any work that could be done elsewhere more economically and with greater satisfaction to the consumer.

There are too many middlemen in a number of lines. There are lines in which one or two bold spirits could, by making use of modern merchandising and advertising methods, increase the scope of their

business, get **an** enormous volume, reduce the cost to the consumer, and give themselves financial returns many times in excess of any sum they can ever make by trying to maintain a fictitious value for the service they render.

There is need for radical readjustment all along the line. The particular point I have endeavored to drive home in this chapter is that even though the manufacturer goes to the consumer by means of *all* the established routes of distribution, his responsibility to the consumer for the quality of his wares is not lessened.

*The Consumer Is
the Final
Test*

I realize that many distributors will oppose any change, just as the hand compositor fought the introduction of the linotype machine. Yet linotype operators make from two to three times as much as they did, under the very best conditions, as hand compositors. Many distributors have been blindly following established custom; they have not analyzed conditions or causes, nor have they realized that there are better ways of doing business.

All along the line the distributive system is loaded with heavy labor costs—usually the lowest-priced labor is the most expensive.

Advertising can reduce the cost of every phase of distribution, at the same time increasing the compensation of the personal labor required for the maintenance of the various distributive channels.

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One prominent retailer, who is generally reported to figure his cost of handling merchandise at 30 per cent. on the gross price, told me that more than half his expense is labor, including clerk hire, management, delivery men, janitors, etc. His advertising cost was less than one per cent. on his total business. I told him it did not seem good business, to me, to tax the consumer with 15 per cent. for labor and only one per cent. for informative advertising which would reduce the cost of salesmanship, if his clerks are trained to coöperate with the selling campaign.

*Advertising
Confers a
Double
Benefit*

This same condition exists in the jobbing business. Men unpack, handle, and repack goods which, if standardized and if the consumer were educated to want it in exactly the form in which it leaves the manufacturer, could be shipped direct from the manufacturer to the consumer, who would select, at the retailer's, from well-displayed samples.

There is much opportunity for improvement, and I predict that the next ten years will witness changes that might be characterized as revolutionary. But I believe that the established channels of trade will remain fundamentally as they are now.

REFERENCES ON CHAPTER XIII

There are trade papers which deal with the problems outlined in this chapter, many of them. Some are of unquestioned leadership, with offices in all important trade centres.

Particularly noteworthy are the *Dry Goods Economist* and *Iron Age* (both published in New York), which are edited by men of great power and national influence.

There are five (monthly) publications for undertakers and eight for miners. The grocer, the general merchant, and the allied trades are served by sixty-eight publications. And so on down the list, from automobiles to watchmaking. Each one of these trades has its own literature, to say nothing of house organs and catalogues which display the highest type of advertising skill.

CHAPTER XIV

HOW THE MIDDLEMAN SERVES THE CONSUMER

THE retailer does 95 per cent. of the business of supplying the wants of the American family. I doubt whether this percentage ever will be much altered. The mail-order business will increase and so will the jobber's and retailer's, just as rapidly as elimination of the present waste in our distributive system is changed into increased comfort and luxury for the consumer.

Many people will always find it easier and more satisfactory to order goods by mail after they have read a catalogue; others want to see and examine merchandise before they buy. The question, "What kind of service does the consumer like best?" has as many answers as there are different kinds of people.

The mail-order business proves that people scattered over a wide area may be organized and held together by group consciousness.

Once in the backwoods of Kentucky I met a man who isolated himself. He refused to buy anything from the local stores. His greatest satisfaction seemed to be his ability to read and supply his wants by means of the catalogue of a Chicago mail-order

firm. He evidently felt a personal superiority and distinction—sometimes encountered among “our very best people”—in being able to do something which his less fortunate neighbors could not do, i. e., read.

Many manufacturers have been considering the middleman their customer, because he buys their goods. Goods in the market may be a menace to the man who has made them. They are never sold until they are in the hands of the consumer, the final buyer, the man who does not want or intend to sell them again.

*The
Middleman
Is Not a
Consumer*

Many distributors are recognizing the new order of things, and are limiting their activity to banking and purely distributive functions. They are not attempting specialty salesmanship, because they can get expert assistance of this kind from the manufacturer's salesmen. And they make more money than they could by having a larger margin of profit and taking the responsibility of educating the trade by specialty work.

Any distributive system which does not bear the test of constantly giving the consumer the best service must fail. And the middleman who

*The Jobber
and Adver-
tised Goods*

opposes the handling of advertised goods because he thinks the consumer, knowing the producer, may go direct to him and thus dispense with the middleman's services, is making a wrong deduction. The consumer is best served when each factor of production and distribution is concentrated upon the one activity for which it is particularly well equipped.

No manufacturer should have the preference of the consumer or the retailer unless his merchandise merits it. If the maker of a food product which is intelligently merchandised and nationally advertised is able to get only from 2 to 5 per cent. of the total business for it, there is no reason why the jobber should not put in his own private brand—if the consumer and the dealer would have confidence in his guarantee of quality and his backing of the product.

In a number of instances the demand for a certain article is a highly developed want which has been created solely by the constructive genius, organizing ability, unwavering purpose, and unceasing devotion of its manufacturer. Any attempt to share in this business is little short of a willingness to accept something without rendering an equivalent for it. It is not only unethical and unmoral; it is the worst kind of bad business, and cannot be encouraged or countenanced by honest men.

In some cases the manufacturer, the jobber, and the retailer put their names on the merchandise, and tell the consumer exactly what each has done and stands willing to do toward gaining and meriting his or her confidence.

In the grocery trade there is much discussion of the comparative value of manufacturers' and jobbers' brands. There are forces at work in the distribution of groceries that

*When
Private
Jobber's
Brands
Are
Justified*

*Each
Distributing
Factor
Should
Educate
the Con-
sumer*

seem as relentless and as irreconcilable as those now engaged in warfare in Europe.

A specialty manufacturer sends his salesman to call on the retail grocery trade. He takes orders to be shipped through the jobber. And then he finds out that the jobbers' salesmen have killed a number of them.

*Better
Under-
standing
Will
Eliminate
Waste*

Many jobbers control the retailer's trade by granting him credit. Then they can insist that he handle their brands, not the manufacturer's.

Where the consumer is indifferent the conflict is most active. I am convinced that this wasteful antagonism is unnecessary. It can be largely eliminated by a more perfect understanding of what business really is, and a willingness on the part of everybody concerned to give the other man the consideration and courtesy to which his service entitles him.

The best interests of the consumer are the best interests of the retailer. But the consumer does

*Retailer
and
Consumer
Have
Identical
Interests*

not always understand what is best for him. This is the dealer's opportunity for service. If the retailer personally or his salesmen, who should be governed by service ideals which he has laid down for them, can persuade his customers to accept something which is better for their wants than the particular things for which they ask, he is giving them true service by doing so.

The retailer who does this will not be misled by an overzealous salesman who talks large profits on unknown articles against a fair margin on well-advertised articles which move rapidly and give the dealer more profit because of volume. This type of dealer will soon win the confidence of his customers so completely that they will not expect him to meet cut prices on standard articles. They will prefer to trade at a store where scientific methods of distribution are appreciated and used.

I am sure that most of the difficulties which are now worrying the dealer, the jobber, and the manufacturer (to the detriment of the consumer) will disappear as soon as the functions, the rights, and the responsibilities of each are more fully comprehended.

You may have heard some one say that "the manufacturer ought to advertise, in order to force the jobber and dealer to handle his goods." *Advertising Should Never Coerce* If advertising is strong enough to force the jobber or the dealer to do something which he does not want to do the man who invokes and uses this power for such a purpose is making a wasteful use of it.

He would much better be employed in convincing the jobber and retailer that their interests are conserved in the possibilities of coöperation and absolute assurance of increased sales, because more intense development of the consumer's wants and a more direct supplying of them would increase the volume of business.

The generally accepted definition of the word "gentleman" is "strength tempered with courtesy, justice, and a square deal." No jobber

*Advertising
Should Be
Merchan-
dised*

or retailer should be forced to do anything which does not further his best interests.

A merchandising plan which contemplates ruthless disregard of the wishes of a distributor lacks much. The middleman should be "sold" on the advantages to him of coöperating with the plan of distribution.

The best manufacturers, those who distribute through national merchandising and advertising, are considerate of the middleman. Before they undertake a campaign—which represents an enormous investment of capital, time, thought, and energy—they have data gathered which enables them to determine what complete service to the consumer is worth, and what the middleman's share of this service is worth. Then these manufacturers "sell" the middleman on coöperating with them, because it will serve his own interests and at the same time give the consumer satisfaction, which is the best possible intrenchment of his business.

The jobber and retailer who help the producer get the increased volume of business which is bound to result from the use of a correct merchandising plan will make more money on their capital and energy and will do best by the consumer. This type of middleman is intrenching himself for the future and will not be eliminated; instead he will

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become a more and more important factor in distribution.

REFERENCES ON CHAPTER XIV

In "The Economics of Retailing," published by the Ronald Press Company, New York City, 1915, Paul H. Nystrom has covered the whole range of retail distribution in a most interesting and readable manner.

"The Wages of Salespeople," "Location and Rent," "How Retail Prices Are Fixed," "The Mail Order House," "Are There too Many Retail Stores?" are titles of exceedingly interesting chapters.

He makes an argument for publicity in its broadest sense when he says:

"Sooner or later the growing unrest of the public concerning the rising costs of living will be focussed on the costs of distribution. Public investigations will be made and legislation proposed. Much of any ill-will that might be present in that scrutiny, when it comes, can be averted by retailers if they will but take the public into their confidence. Price is the tender spot in nearly all economic discussions where public interest is concerned. It is highly essential that all retailers, who are doing a legitimate business upon a reasonable profit basis, coöperate in letting the public know what are their price-making processes and problems."

CHAPTER XV

RETAIL ADVERTISING—PREPARATION

IN CONSIDERING retail advertising, one must not forget that many dealers have gone into business without having made a comprehensive plan of campaign. Some have inherited a business. Others started in as clerks, and gradually worked up.

In agricultural districts, retired farmers, who have moved into town so that their children may have city school advantages, often buy a grocery business or handle farm implements.

Many of them fail because they lack expert knowledge of the business itself and especially because they did not know the characteristics of their consuming group.

Other things being equal, the retailer should prefer a location in a city whose industries are extensively advertised. Manufacturers who use advertising to create a permanent, steady market are least affected by industrial changes. Employees are benefited by this policy, because they are not laid off in times of general depression.

*A Stable
Labor
Market
Necessary to
Successful
Retailing*

Having chosen a city or town in which to establish himself (if it is possible for him to do this), the retailer's next move is to select the particular street upon which it seems best to locate his store.

Here again we see the value of the group spirit, which accounts for the fact that property at the corner of State and Madison streets, Chicago, is worth many times more rent per year than is the same number of square feet one mile from there.

The fact that a large group of people has formed the habit of passing a particular corner, or along a particular block, every day, makes a location at that point worth more to the retailer than the same amount of space a short distance away.

*The
Location
Within the
Locality*

The retailer should next consider the characteristics of his group, as a whole, and also those of the many smaller groups of which the community is composed. He should study their tastes, their prejudices, and the influences that are maintaining or changing their mental attitude and their manner of living. He should select his clerks carefully, considering their fitness to sense and work in harmony with the prejudices and preferences of the majority of his customers. Much might be said about fitting up his store so that his wares will be in plain sight and easy to get at. Allow plenty of space for showcases, counters, and shelves for the

display of desirable merchandise. Mute salesmanship of this kind costs little and gets substantial results.

The retail merchant should buy reliable, dependable goods. It is wiser to concentrate his buying in a few sources of supply, in order to make his business attractive to the best houses, and in this way insure getting the greatest amount of attention. Where the quality of the merchandise and the general policy of the houses from which the dealer can buy is the same, he should, in justice to himself, give preference to the salesman who studies his needs and is best equipped to counsel and confer with him about how to merchandise the goods he buys. Many dealers owe much of their success to counsel and advice given them by salesmen who believe that the business of selling is an opportunity for service, and who treat the dealer's confidence as a sacred trust.

As soon as the dealer knows the purchasing capacity of his possible customers, he should gradually foster in them an appreciation of a little better standard than they have been asking for. In this way he can secure the leadership which is necessary if he is to build up a big business, and can get and hold the trade of people who like to feel that they appreciate quality and that goods have been brought to their attention *because they know quality.*

*Buy From
Competent
Salesmen
Represent-
ing Reliable
Houses*

It pays to stock advertised brands instead of unadvertised, when they are of equal merit. If he can buy the latter for less money, then he must determine how much the advertising on the higher-priced line is worth to him. If he can be sure that the advertised merchandise will save him clerk hire, rent, and other expense, then the advertising justifies itself. As a rule advertised lines are meritorious, and the cost of advertising is not an excess tax upon the consumer. In which case the dealer has no excuse for handling anything but advertised lines.

Comparative Value of Advertised and Unadvertised Products

Careful discrimination is necessary when the retailer takes over the exclusive sale of a line of goods.

Exclusive Agencies Should Be Carefully Considered

Many manufacturers market their goods to one dealer only, in each town, because they know that having something which one's immediate competitor does not possess appeals to retailers generally. Sometimes the retailer makes a mistake in listening to this argument. For there *are* articles, having a wide national distribution and sold to any dealer who will buy them, that unquestionably give the greatest satisfaction to the consumer because of the advertising which has been done both before and after the purchase.

Retailers often try to substitute an article of which they have the exclusive local sale for one that has a broad national sale. It is a mistake to do this. The manufacturer who gets control of a market and

10% More for Your Money

Quaker Oats is now put up also in a 25-cent size, nearly three times as large as the 10-cent size. By saving in packing it offers you 10 per cent more for your money. See how long it lasts.



That Quaker Oats Aroma

The very aroma of Quaker Oats tells its exquisite flavor. You know before you taste it that there's choiceness in this dish.

Only the big grains yield that aroma. And, without the Quaker process, it could never be kept intact.

That's why Quaker Oats is distinctive.

We get that flavor and we preserve it. We discard all the grains which lack it, so the flavor is never diluted.

If you enjoy it, you can always get it by simply saying "Quaker." And without any extra price.

Quaker Oats

Rolled from the Largest Grains

We get but ten pounds of Quaker Oats from a bushel, because of this selection. But those are the luscious flakes. The others are good enough for horses, but not for boys and girls.

We started to do that 25 years ago, and the fame of this flavor spread. Now a hundred nations send here to get Quaker Oats. And millions of children at every clinic enjoy it every morning.

Quaker Oats, as an energy food, excels anything else you know. It

abounds in the elements needed for brains and nerves. It is known as "the food of foods."

But, without that taste which makes it inviting, few children would eat half enough.

That's why we supply that flavor, and why you ought to get it. And to get it is always easy. Quaker is sold in half a million stores.

Serve Quaker Oats in large dishes. Small servings are not sufficient to show in full its vim-producing power.

10c and 25c per Package

Except in far West and South

The large 25-cent package gives ten per cent more for the money

The Quaker Oats Company

Don't Buy a Heating System

Till You Read This Book!



Hot Water, Steam, Warm Air

You will be amazed at the high quality heating plants we supply for the rock bottom prices we ask. Our new free book will convince you that it pays to deal direct with us, that it means greatest value, greatest satisfaction, and strongest guarantee of perfect service. You take no risk whatever. Should your heating plant fail in any way to give perfect satisfaction any time within two years from the date of purchase we agree to return the money paid us and transportation charges both ways. There is

No Stronger Guarantee Than Ours

We have put the quality into our heating plants to back up our two-year guarantee.

Mail Coupon Now

Get our book if only as a guide to the right quality and the right price. Please mail coupon, checking the system of heating that interests you most. Address

SEARS, ROEBUCK AND CO.,
Chicago

Please mail me your Heating Plant Book No. 1365

I have checked the system that interests me most. It is understood that this places me under no obligation to you.

☐ Hot ☐ Water ☐ Steam ☐ Warm Air

Name _____

Address _____

City _____

State _____

THE new Baby Book is ready. It contains merchandise of a quality that makes it easy for a guarantee absolute satisfaction in every way. It quotes prices that make the services of this store *doubly* attractive to our customers.

If you have received copies of our previous Baby Books you will need no urging to write for this new edition.

If you have never before received "The Baby Book," you will be pleasantly surprised with the Spring and Summer edition which we want to send you free and postpaid.

Please ask for Baby Book No. 66W86. (Attached in a plain envelope.)



My American Elf
Baby Merchandise Dept.

Sears, Roebuck and Co.
Chicago

reduces the price, in order to entrench himself, unquestionably gives the greatest possible service to the final buyer. Every manufacturer with a sound merchandising policy wants the retailer to handle goods at a satisfactory profit. In fact, so far as I know, present agitation for the purpose of getting legislation in Congress which will permit manufacturers to insist that retailers maintain the manufacturer's retail selling-price has been instigated by the manufacturer. He wants the retailer to make money; he does not wish to reduce the retailer's profit. He knows that if he can get the largest possible volume of distribution, he can, because of economies possible in production, reduce prices and entrench himself against competition. He knows that price-cutting on the part of the retailer reduces the total volume of sales, and that the retailer cannot give the consumer complete service unless he is sure of a steady and permanent demand.

The retailer is wrong who apportions his expense of doing business among all the articles he sells. For instance, it costs him more in rent, labor, and overhead, to serve a glass of soda, at five cents a glass, than it does to hand out a package of chewing-gum, the demand for which has been created and developed by national advertising.

He fools himself if he thinks that the washing of glasses, the labor of dispensing the soda, and the amount of time taken up by people who stand at

the soda fountain is anything like the same degree of expense to him as the transaction involved in handing out the chewing-gum. In order to prove it, he needs only to find out how many chewing-gum sales a clerk could make, in a day, to people who came in about as fast and as regularly as the patrons of an elevated railroad go through the gates and drop a ticket. For five cents the elevated railroads give the consumer a good deal of transportation, *and* the labor of the people who sell him tickets and receive him at the gates.

The retailer can profitably use every advertising medium that I have described in this book. Many of them he can afford to use directly. He can get the benefit of all of them, indirectly, by coöperating with the manufacturer's advertising of goods of which he has the exclusive sale for his own section; or by coöperating with national advertising campaigns on goods that are sold to any dealer who will buy them. By doing this he will get more than his share of the business which the manufacturer creates. He should do no local advertising until his store is in shape to back any promises he may make in his advertising.

REFERENCES ON CHAPTER XV

Mr. Harlow N. Higinbotham, formerly a partner in Marshall Field & Co., Chicago, and President of the Chicago World's Fair, has written a valuable

book, "The Making of a Merchant," published by Forbes & Company, Chicago.

The science of advertising has developed a service phase since Mr. Higinbotham wrote "The Making of a Merchant." He recommends unadvertised lines as giving the dealer a larger profit; and *now* he would find that the manufacturer's advertising actually saves the dealer clerk hire and rent, and brings him business.

Mr. Higinbotham recommends that retailers teach their clerks to be decisive in dealing with customers, and aptly says: "When the decision is put up to the customer, he invariably names the brand most widely advertised, because it is the first that comes to his mind."

CHAPTER XVI

RETAIL ADVERTISING—METHODS AND MEDIUMS

THE retailer's first purpose in advertising is to bring people into his store.

For appealing to those who pass the store every day the best medium is a display window. Goods should be attractively arranged and show the price. Then the effect of the advertising in the window can be accurately checked.

The same clear-cut fundamentals govern the success of a department store and fruit stand. Each exists, primarily, because of a group. Each has been established in a locality to which common interests and needs draw a group of people constantly.

*Groups
Make
Retailing
Possible*

In polishing his apples, arranging the grapes and cherries in small packages, and putting in his spare time making up attractive assortments, the fruit-seller shows the same elemental appreciation of the advertising value of display which is revealed in the department store's handsome windows, neat shelves and counters, and carefully trained clerks who impress all comers with the fact that "it is a pleasure to show goods."

The price ticket on a basket of grapes is both an appeal to the bargain-hunting instinct of the suburbanite and a confidence-compelling affirmation by the proprietor that the goods are worth the price asked, and that he is willing for any one to know it.

This same fruit vender has found out that he can depend upon a certain class of discriminating trade, if he carries well-advertised goods in the original, unbroken package. Many a small store proprietor would do well to follow his example.

A certain Chicago retailer moved his store not long ago. The new location costs him \$15,000 a

*Show
Windows
Are
Silent
Salesmen* year more for the same amount of space he had before. But now he has six show windows. He had only two before. Neither the class of people who pass the new store nor the numerical strength of the group seems to have changed much. But the four extra display windows more than justify the \$15,000 additional rent. These windows are changed constantly.

The windows bring people *into* the store, where materials of especial interest for the moment must be attractively displayed, interesting them and stimulating desire to purchase. Such silent salesmanship, making use of the power of suggestion, often contributes more to a sale than does the clerk's selling talk.

The newspaper is the best medium for reaching

people who do not regularly pass the retailer's store. If he knows how to use local newspapers, and gets prompt responses, he is fortunate indeed.

As I have said before, it isn't necessary to advertise bargains all the time. It is wise to remind the readers of the newspapers, every now and then, that he sells dependable goods, and stands back of them.

In only one respect has modern business improved upon the method of the late Mr. A. T. Stewart, who used to stand at the front door of the store, greet his regular customers by name, and occasionally slip into a package, for good measure, a tapeline, a spool of thread, or some other useful little article.

The Local Newspaper Is the Retailer's Best Medium

The improvement is the change from a personal to an institutional basis, the result of emphasizing the fact that the business is being conducted according to such sound merchandising principles that the constant personal presence of the owner is not essential to perfect service. The one-price system and the custom of returning to the buyer the purchase price if goods are returned within a reasonable time have gained the confidence of the public. These thoughts should be emphasized again and again in the retailer's newspaper announcements.

The retailer can use local newspapers advantageously in another way, described in the chapter concerning "National Advertising and Exclusive Dealers."

The retailer who has the exclusive sale of a nationally advertised specialty can double the value of his newspaper advertising by "tying it up" with the manufacturer's national magazine advertising.

There are advertising mediums which the retailer should absolutely refuse to use. I refer particularly to those of a semi-benevolent or semi-charitable character.

*Treat
Your
Advertising
Appropriation
as a
Trust Fund*

The retailer who feels he *must* contribute something to a local church or lodge, or some other semi-benevolent enterprise that wants to sell him space in a program, can contribute, instead, an equivalent value in merchandise which, for some good and sufficient reason, *must* be seen *at his store*. Very many clever ideas have been worked out along this line. As certain trade papers and specialty advertising organs keep a record of them, I shall not attempt to give further detail here.

The store must be kept in such an attractive condition at all times that customers will be pleasantly impressed.

His advertising appropriation should be from 2 to 4 per cent. of his total sales. He ought to spend it as if it were money held in trust for another, which must be made to earn the maximum profit. Such a viewpoint would not permit him to be "sold" by various schemes, of doubtful value, that are being brought to his attention continually.

There are men who go around the country persuading retailers to advertise in local newspapers schemes that make the solicitors enormous profits. However, this practice is about at an end, because retailers and publishers know more, now, about real advertising and its value.

The retailer should not buy calendars, novelties, or advertising devices of any kind until he knows exactly how he is going to distribute them.

The best plan is to give them to people who will come into his store and get them. A small newspaper advertisement, a circular, or a letter would tell the reader about them.

I have previously pointed out that local newspapers are especially effective for advertising the big department store. Fortunate indeed is the retailer in a town that has a progressive local newspaper covering his trade territory fully.

*Plan Your
Work and
Work Your
Plan*

An entirely different problem confronts the neighborhood retailer, in a large city, and the suburban dealer who has no local newspapers whose circulation corresponds with his trade territory.

These suburban storekeepers, especially grocers and druggists, are just now discovering that by displaying wares which are being widely advertised in newspapers and magazines that circulate in their neighborhood they can actually cash in on the manufacturer's advertising.

A number of newspaper publishers realize how important it is that retailers who cannot afford to

advertise be taught how to profit by the manufacturer's general advertising.

*How
Suburban
Dealers
Can
Cash in
on City
Newspaper
Advertising*

Before he advertises a special line of goods every department store proprietor teaches his clerks how to coöperate with the advertising when the customer comes in to see the goods. All retail stores can use manufacturers' newspaper and general advertising, without cost, merely by coöperating with it. The retailer who knows what kinds of newspaper and magazine advertising pay, what the circulation of general mediums is, in his territory, can realize on manufacturers' advertising as completely as if he himself were paying for it.

If he is in doubt as to the amount that is spent by the house that sells to him, he can get accurate information by applying direct to the publisher, or to any large advertising organization that coöperates with national advertisers in preparing and placing copy.

Some retailers, having been imposed upon by advertising promises that were never fulfilled, assume

*Dealers
Should
and Can
Discriminate*

that all advertising is alike, and that one manufacturer's publicity is no more valuable than another's. No part of the retailer's equipment is more important than an accurate knowledge of advertising mediums, both national and local. This will enable him to discriminate between manufacturers who use adver-

tising to serve the consumer and reduce the cost of distribution, and those who try to bluff him by making him think that they are advertising on a larger scale than is really the case.

Better grade magazines, newspapers, and class publications are censoring carefully the advertising of the manufacturer who does business in a questionable way. Many publishers will not accept copy unless they know that the advertising is sincere, and straightforward, and planned to benefit both consumer and distributor. Just as any banker will express an opinion about any worthy investment, so any advertising house of standing will verify the claims of a reputable advertiser. Dealers certainly should not give their coöperation to manufacturers whose merchandise does not measure up to the claims made by their advertising, or to those whose business methods can be questioned.

In closing let me repeat that at least once a year the dealer should map out for himself a definite, tangible, complete campaign. He must know exactly the size of his appropriation and should spend it as if it were money spent in trust for another, with which he must buy the maximum profitable result. He can have all of the exhilaration of the chemist who makes discoveries in his laboratories, the satisfaction of the mathematician who solves problems, the zest of the hunter, and the calm sense of power of the man who makes plans and sees them materialize.

*The
Plan More
Important
Than the
Medium*

REFERENCES ON CHAPTER XVI

Very many books have been written about retail advertising. Correspondence school courses are largely concerned with writing advertisements for retailers. Several houses which sell to one dealer only, in each locality, maintain a syndicate service which supplies the dealer with ready-made advertisements.

In almost every city of 10,000 population or over there are one or more advertising agencies or advertising service bureaus which make a specialty of writing copy for retailers. Practically every paper covering retail trades has a department devoted to retail advertising.

The live daily newspapers, in metropolitan and provincial cities, are the best primers for the man who wants to study the best, latest, and broadest aspects of retail advertising.

George M. Reynolds, president of the Continental and Commercial National Bank of Chicago, states that when a boy in a small Iowa town, he subscribed for the great newspapers of our large cities, in order to keep constantly in touch with the outside world.

I. R. Parsons, Advertising Manager of Carson Pirie Scott & Co., of Chicago, in *Printers' Ink*, June 24, 1914, says:

"I know of stores that are purported to spend but one and one-half per cent. of their entire gross re-

ceipts for advertising, their advertising charges including many items of more or less general expense, like window decorating and other general promotion costs, and each of the stores in question does a tremendous business. I know of several other stores whose yearly advertising cost amounts to 4 per cent. of their gross sales or thereabouts and they seem to get away with it. But I do not know of any retail store of any consequence which spends less than one and one-half per cent. for advertising, nor did I ever hear of any store lasting very long with an advertising burden of more than 4 per cent."

Frank Farrington of Delhi, New York, author of "Making a Drug Store Pay" and a number of other very valuable books for retailers, and editor of *Profitable Storekeeping* (Chicago) says: "My observation is that 2 per cent., in the case of the average store, (which, by the way, is not a very large store) is a satisfactory figure."

Mr. Parsons gives the following figures as being those of a hypothetical store "generated by a merchant in the good old Anglo-Saxon meaning of the term":

YARD GOODS AND ACCESSORIES

| Department | Advertising Percentage |
|-----------------------------------|------------------------|
| Silks and Velvets | 1½% |
| Dress Goods | 2% |
| Wash Goods | 1½% |
| Laces and Embroideries | 1% |
| Ribbons | 1% |
| Trimmings | 1% |
| Notions and Dressmaker's Supplies | 1% |

DRESS ACCESSORIES

| | |
|-------------------------|-----|
| Veilings | 1¾% |
| Handkerchiefs | 1¾% |
| Women's Neckwear | 1% |
| Gloves | 1½% |
| Hosiery | 2% |
| Knit Underwear (cotton) | 2% |
| Knit Underwear (silk) | 3% |
| Parasols and Umbrellas | 2% |
| Jewelry | 3% |
| Hair Goods | 4% |
| Leather Goods | 3% |
| Toilet Articles | 2% |

HOUSEHOLD LINES

| | |
|-------------------------|-----|
| Furniture | 5% |
| Linens | 1¾% |
| Carpets and Rugs | 3% |
| Blankets, Bedding, etc. | 3% |
| Lace Curtains | 3% |
| Art Needlework | 1½% |
| Silverware | 3% |
| China and Glassware | 3% |
| Trunks and Bags | 4% |
| Housefurnishings | 4% |
| Books | 3% |

READY-TO-WEAR APPAREL FOR WOMEN AND CHILDREN

| Department | Advertising Percentage |
|---------------------------|------------------------|
| Women's and Misses' Suits | 3% |
| Women's Dresses | 4% |
| Girls' Apparel | 3% |
| Women's and Misses' Coats | 3% |
| Shoes | 3% |
| Waists | 3% |
| Separate Skirts | 3% |
| Millinery (in season) | 3% |
| Petticoats | 2½% |
| Lingerie | 2½% |
| Negligées | 3% |
| Infants' Wear | 2½% |
| Corsets | 3% |
| Furs (in season) | 3% |

READY-TO-WEAR APPAREL FOR MEN AND BOYS

| | |
|-------------------|----|
| Men's Clothing | 5% |
| Boys' Clothing | 4% |
| Men's Shoes | 3% |
| Men's Furnishings | 3% |
| Men's Hats | 4% |

Total Average Advertising Cost . . . 2¾%

Which figure, being reduced by business done by departments not advertising, will undoubtedly come within the 2½% limit.

CHAPTER XVII

RETAIL ADVERTISING—MAKING GOOD

AT AN exhibit of farm vehicles, once, I heard a barker, in replying to a couple of farmers who were chaffing him about his sales talk for the buggies he was demonstrating, point out clearly the institutionalism of banking and merchandising, and the labor-saving value of trustworthy methods of doing business.

They told him he was the most interesting liar they had ever heard. He turned on them quickly and said: "You are honest farmers, but you have a peculiar way of showing your honesty when you do business with each other. You trust your bankers with your money without question. You let your wife and children trade with your local merchants, and it never bothers you at all, because you know they will be given a square deal. But I notice that when one of you wants to buy a horse or a calf or anything else from another farmer, you don't delegate that business to anybody. You always do that work yourself. You are honest, certainly you are, and you show it in the way you trust each other."

*Retail
Dealers
Are
Expected
to Be
Square*

The point of this story is the fact that the dealer is expected to be honest and trustworthy as a matter of course. It is certain that his influence, prestige, and permanent position in the field in which he does business are in direct relation to the size of the group which has confidence in him.

In Chapters XIV and XV I have said that the retailer must know the relative value of advertising mediums, and how to use them for accomplishing specific results. But when this has been done, he has still a responsibility which, in my judgment, is worthy of a separate chapter—to make good on every advertisement he puts out.

The retailer who gets the most out of advertising is one who thinks of it as a promissory note to the public. He has invited the public to come to his store. He has put himself in the position of the host at a dinner-party. If there is a hurrying and scurrying about to lay extra places at the table after his guests arrive, they may feel they were not wanted, after all.

It is of the utmost importance that the advertiser backs up his advertising with the same sincerity he expresses in his announcement.

Clerks must be trained to appreciate that the word of the store has been given, and that any failure to make good, on their part, is a serious offence.

A certain most successful manager of a big department store believes he cannot possibly cash in on his

*Maintain-
ing
Confidence
Increases
the Dealer's
Assets*

advertising unless he maintains to an extreme degree the confidence of every one who comes into his store. He told me, one day, when I was calling on him, that the man who had just left his office was the manager of his shoe department. Mr. ——— showed me, with evident satisfaction, the report which this manager had just left with him. He explained that three months before he called in this department manager and told him that the percentage of returned shoes was too small. The subordinate mentioned that he had expected commendation instead of criticism for this, and insisted that wherever there had been the least reason he had permitted shoes to be returned and the money refunded or other shoes sent out in place of them.

*Inviting the
Return of
Merchan-
dise
Increased
Profits*

“You certainly don’t want to let a girl come in here and get a pair of fine dancing shoes, dance in them half the night, and come in the next morning and exchange them for everyday shoes, do you?” the department manager protested.

“That is exactly what I do want. That girl has a father and a mother who undoubtedly do not approve of all that she does, but they will feel kindlier toward us when they find that we are indulgent with her. Try it three months and see.”

The report showed an increased volume of sales in the shoe department, and the manager of the store believed that it was due to the increased liberality in the matter of returns.

On another occasion I went with the salesman of a large paint house to call on a prominent store. The keen eye of the salesman picked out a small can of paint lying on the floor, and he asked the manager if he handled that particular brand. The manager laughed and said: "No, but a woman came in this morning, said she had bought this can from us, and didn't want to use it. Of course we took it back without argument."

This is an extreme case. The manager did not question the customer's statement that she had bought an article he had never had in the store, and then gave her the amount of money she claimed she had paid for it. It illustrates, however, the fact that the customer's mental bias in favor of the store is of the utmost importance and cannot be trifled with without harming the group spirit which is, after all, the store's most valuable asset.

Service to the customer should be the reason for, the expression, and the follow-up of every advertisement.

*The Power
of Service*

Attractive window, counter, and floor displays which remind and inform passers-by are true service factors. They economize the time of both consumer and dealer.

Courteous, prompt, and intelligent attention by salesmen who know their stock and have constantly in mind the satisfaction of the customer is the only good-will asset which will bring trade from a long distance and hold it in spite of price competition.

Retailers who sell service have no mail-order competition, and they take pains not to advertise the mail-order business by discussing it.

When we can be sure of price maintenance on nationally advertised goods, we shall have reliable merchandise at lower prices than ever before, because of economy in wholesale production and unimpeded movement to the consumer, with minimum salesmanship cost to all distributors. The retailer who advertises bargains is not giving his customer a square deal if he sells an advertised product of merit at a price which does not cover his legitimate distribution cost. He is not giving the consumer, who is *his customer*, the service or the protection to which he or she is entitled if he cuts prices on advertised goods for the purpose of more than offsetting this loss by the increased sale of other goods on which his margin of profit is abnormally high.

*Price-
cutting
Benefits
Nobody*

I realize that some persons may take exception to my statement that the retailer should maintain in all cases the price which the manufacturer puts on the goods to be sold to the consumer. Let me make myself perfectly clear. There are, especially in the drug field, lines of goods which give the retailer an abnormally high profit. Knowing that all business should benefit the consumer, we must not exploit him by asking him to pay more than the service is actually worth. Many cut-rate drug prices are legitimate, but they are giving the consumer a wrong impres-

sion. The fact of the matter is the retail margin scheduled by the manufacturer is sometimes too high in the first place, and he did not expect it to be maintained.

It is certain that on nationally advertised goods of genuine merit, the distribution cost of which has been scientifically fixed, the retailer will do best to coöperate. He is not being square with his customers if he creates the impression that he sells all goods on the narrow margin which cut prices on advertised goods of real merit allow him. On the other hand, he cannot command the manufacturer's coöperation and support in developing a larger volume of business if he interferes with the manufacturer's scientifically developed plans for benefiting the consumer.

This brings up a question that might as well be discussed here as elsewhere—is it certain that the consumer always receives full value, even though the work of distribution has been ably and conscientiously done?

For instance, many people believe that the sale of liquors, tobacco, and luxuries in general is economically wrong, and a burden upon the public. Others think that the selling of patent medicines is detrimental to the interest of the people. Others maintain that an investment should not be advertised at all, but that all advertising in connection with investments should deal only with the integrity and the

*A Square
Deal For
Every
One Is
the Dealer's
Best
Asset*

ability of the banking or investment institution that sells the securities.

We must recognize that intrinsic value, real value, and commercial value are three different things.

I would define intrinsic value as the sum of those qualities in an article which scientific expert buyers would determine by test to be valuable.

*The
Difference
Between
Intrinsic,
Real, and
Commercial
Value*

Alcohol used in the arts might be intrinsically more valuable in one brand than in another. Yet many persons would hold that alcohol has no real value. The real value of any given article would be the sum total of its qualities which actually benefit mankind. Pure water possesses real value. There might be some discussion as to the distinction between the intrinsic and the real value of pure water. These differences of opinion would be governed by differences in the uses to which it is put.

Commercial value is that quality in an article which creates satisfaction. Satisfaction is the test of every purchase. When the consumer is satisfied with his purchase we may safely say that the article he bought possesses commercial value. That is the basis on which we must discuss the question of value in relation to advertising.

The point has been made that the department store's attractive advertising has raised the standard of living to a point where people believe they cannot do without many articles which really are luxuries, not necessities. But they justify the purchase of

them, to themselves, by allowing themselves to believe they are necessities. Some economists maintain that the work most valuable to the community has been rendered by those who endure privation, rather than by those who are surrounded with lux-

*Will
Service
Become too
Costly?*

uries the enjoyment of which calls for a heavy expenditure of both time and money. I have never been able to see how advertising could be responsible for creating a condition that would be injurious to the consumer in any degree. Perhaps I should qualify that by saying that truthful advertising could not injure the public in any possible way.

Fortunately the movement for truthful advertising has been inaugurated and pushed by advertising men themselves, because they realized that absolute and constant dependability would demonstrate and develop the greatest value of advertising.

Leaders of the advertising business have asked that the law recognize the benefit of truthful advertising by disciplining advertisers who do not promote the best interests of the consumer.

I am convinced that our great captains of industry get little more, in exchange for their arduous efforts, than shelter, clothing, and a modest amount of food. These men work under self-imposed privations because they believe this method is definitely helpful in accomplishing the important work they have undertaken.

Booker T. Washington is authority for the statement that until the desire to possess things that are generally conceded to be luxuries is aroused in the negro, he cannot be stimulated to scientific and fruitful methods of work. *The Desire for Luxury Stimulates Industry* I am sure that the cultivation of domesticity—beautifying the home and making it a more comfortable place to live in, the possession of works of art and care in preserving and keeping them—has a beneficial reflex upon the community.

Personally, I am not afraid of the extension of the service idea on the part of our large department stores, although it is true that the cost of concerts, lectures, rest rooms, and long-range deliveries must be covered by the price the consumer pays for merchandise. *Service Competition Invites Coöperation* The best protection against abuse of this method is the fact that big national advertisers are vieing with each in giving the consumer the greatest possible service for the amount of money he spends.

At present this force is apparently working in competition with the big department stores. There are indications that some of the larger and better managed department stores are beginning to realize that it pays to coöperate with the national advertiser.

If the department store refuses to stock large national advertisers' products, because they do not allow it sufficient margin to pay for all this service, these goods will be distributed by smaller stores which are located closer to the consumer. Such

service competition will benefit every one that is engaged in it.

Advertising can—and I predict will, during the next ten years—accomplish many reforms. It is going to convince the consumer that buying from peddlers is an unnecessary tax upon him, and that the time of the canvasser could better be spent upon labor which produces more for the community.

*Advertising
Will Bring
Needed
Reforms*

It is going to prove that food products handled in a sanitary way will not only eliminate the waste due to sickness which is the result of unsanitary conditions, but that the possibility of merchandising in a broader way will enlarge the market. And the larger the market, the more the proceeds of a day's labor will buy.

Advertising is the most potent force we have today for equalizing the ups and downs of labor conditions. It is seldom that a national institution which markets through advertising channels is obliged to lay off employees. As a rule the well-managed and competently advertised business is continually adding to its force of operatives, and its current of incoming business is steady and permanent.

The man who advertises extensively and nationally ought to be, and actually has to be, a student of general conditions. He must know how to price his goods to the consumer so as to take care of fluctuation in the price of raw material. Stable commercial conditions of course mean money in the pocket of the

*Stable
Conditions
Insure
Prosperity*

worker—his consumer. For an unanswerable argument for the value of stable conditions, contrast the continued prosperity of the six million American farmers of to-day with the state of agriculture when the castles along the Rhine and on the shores of the Mediterranean were inhabited by warriors who protected the tillers of the soil from pirates, to be sure, but at a price—continual warfare—which gave the farmer very little chance to make use of his land.

There is no force at work in America to-day which is doing more than advertising is toward the establishing and maintenance of stable business conditions.

REFERENCES ON CHAPTER XVII

Particularly recommended is "How to Run a Store at a Profit" (the System Publishing Company, Chicago), from which the following suggestions for the retailer have been culled:

1. Fixed price articles carried as an accommodation ought at least to take care of themselves.
2. Newspaper advertising appropriation should be from 3 to 5 per cent.
3. Carry the right amount of stock and no more.
4. Watch your overhead expense. Overhead is frequently either figured or charged incorrectly.
5. Know at all times what percentage of your profit is actually net.
6. Have your goods so arranged and displayed that

the minimum amount of time is necessary for laying them before the customer.

7. Keep a record of the percentage of the selling-price lost by mark-downs.

8. Look out for negative expenses. They are: poor displays, dingy stores, insufficient light, heat, or ventilation, ice on sidewalks, discourteous or inattentive clerks, etc.

9. In buying forget that you own the store and regard yourself as the purchasing agent for your community.

I also call attention to the "Retail Merchant's Ten Commandments," which were published in the *Monthly Bulletin* of the National Association of Credit Men, 41 Park Row, New York City:

1. Confine purchases to as few houses as possible.
2. Do not overbuy.
3. Take all discounts and pay all bills when due.
4. Have some books, especially an accurate expense account, a daily sales record, a book showing purchases, with cost and when due.
5. Carry enough insurance.
6. Make accurate reports to the commercial agencies and answer all letters.
7. Keep a clean, well-arranged store.
8. Do as much cash business as possible.
9. Do not make unjust claims.
10. Live within your means.

CHAPTER XVIII

PRICE MAINTENANCE

WE CAN best approach a consideration of price maintenance by reviewing the following points:

(1) The one-price system builds business for the retailer. It serves the buyer best, by saving time which he must otherwise spend in bargaining. It conserves the selling energy of salesmen who can then concentrate on demonstrating to the consumer the specific value of the goods offered for sale.

(2) Mail-order business is possible only because prices can be *fixed* and vast editions of catalogues printed and extensively circulated. Consider the confusion, loss of time, and congestion which would be inevitable were any time devoted to writing letters to ask for prices or to haggle over charges!

(3) The exclusive dealer, or the agent of the manufacturer, likes the one-price plan because it insures him a profit. In fact, the price argument is the basis of the abuse of the exclusive dealer idea. Many manufacturers put in time selling the dealer which could be spent more profitably upon the consumer. Many retailers load up with exclusive lines; whereas a keener

appreciation of the value of *service in the distribution of staples* would have been more valuable to the consumer, and, therefore, more profitable to the dealer.

Producing a staple and advertising and distributing it through every possible channel are the biggest things a manufacturer can do. This

The Field of Tremendous Accomplishment effort calls for more kinds of ability than any other kind of commercial enterprise. It is no task for the quitter, the faint-hearted, or the "piker." The results it gets are princely in scope and splendor.

Given an article of merit and a fair price (which means a margin of profit to all who assist in getting the maximum distribution for it), an adequate national advertising campaign will so entrench one manufacturer's position that a competitor who makes equally worthy merchandise must spend many times as much for advertising in order even to divide the field with him.

Price-cutting by retailers must be fought because the manufacturer who creates and controls the market for his own goods under a scientific plan of distribution serves the consumer best.

Retailers who make leaders of advertised goods by cutting the price will eventually substitute to the detriment of both manufacturer and consumer.

Unfortunately, the Supreme Court of the United States has been ruling against the manufacturer who wants to put a fixed reselling price on his merchandise. Some lawyers believe that the fact that a man

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can control the use of his name and can prevent others from selling goods which purport to be his will eventually find legal expression in a decision that will give owners of trademarks the right to determine the price the consumer shall pay for goods bearing that trade name. Present rulings proceed upon the assumption that the man who buys and pays for an article owns it absolutely and can give it away or sell it for any price he sees fit to place upon it.

There are two ways of handling price-cutting on staple, trademarked products which all manufacturers agree are reasonable:

Two Ways of Maintaining Price—Both Effective

(1) *Moral suasion.* I could cite many instances where a salesman has induced a dealer to give up price-cutting on his product. Each dealer promises to quit if the others will. Dealers are in business for the money there is in it. If price-cutting does not bring trade which buys other goods at a profit, the dealer soon throws out the article he has been cutting and substitutes a competitive article. The manufacturer who created and developed the market loses; and the consumer loses.

(2) *By refusing to sell to price-cutters.* It is illegal to agree not to sell, but a manufacturer may refuse to sell to a distributor without giving any reason.

Selecting the Salesman Able to Stop Price-cutting

The advantages of price maintenance are so universally conceded and the evils of price-cutting so generally condemned that sales-

men should be selected with direct regard to their ability to put a stop to the latter in the territory which is assigned them.

When dealers are fully conscious of the power of a trade-building advertising campaign to locate new buyers for advertised staples they will not be so prone to cut on them.

A salesman who comes to the dealer with suggestions, plans, and methods for increasing his business by coöperating with the manufacturer's advertising plans (which means new business for both manufacturer and dealer) can easily convince the dealer of the folly of diverting an established demand, for a little time, by price-cutting.

For each buyer who *knows* the value of a piece of merchandise and would be tempted by a cut price there are *twenty prospectives* who have been almost convinced by the advertising, and need only (in order to close the sale at a profit to both dealer and manufacturer) the dealer's invitation to buy and his assurance of quality.

Cutting the price to these prospectives may "queer" the sale altogether by suggesting inferior quality. What little is gained by enlarging the market among those who are already convinced of the value of the article is more than offset by the loss of confidence among those not yet sold and the certain curtailment of distribution by dealers who will put under the counter goods that are sold at cut prices else-

*Cut Price
to One
May
Destroy
Confidence
of Many*

where, and only supply them upon positive demand.

Retail merchants' associations know what the effects of price-cutting are. Sometimes retail grocers have met department store price-cutting at the instigation of the secretary of their local organization, who keeps them informed of exactly what is being done. The department store has to make a profit, and will stop cutting when there is nothing to be gained by it.

It is commonly believed that the grocery section of a department store is only a bait to get trade into the store. It is noteworthy, in this connection, that to reach the grocery section one must usually pass through other departments where profitable goods are attractively displayed. Many successful retail grocers meet the situation squarely by selling customers on the value of their service, and by convincing them that a reasonable profit on dependable merchandise is just.

Some years ago there was considerable talk about the manufacturer advertising to the consumer, thereby creating a consumer demand which would *force the retailer to handle his goods*. In many instances this policy has apparently worked. Wherever such is the case, there exists an opportunity for a competing product of equal merit to supplant the present leader, *if* the manufacturer will work out a scientific plan of advertising to the consumer, sell to the logical

distributors, and give each link of the distributive chain a reasonable profit.

For every dealer who can be coerced by advertising which creates a consumer demand there are twenty who can be convinced that in the "almost persuaded" consumer there is a chance for manufacturer and dealer to coöperate and build business for each other.

The manufacturer's salesman can say truthfully that *he* is not interested in the sales the dealer is *forced* to make through advertising. His house is bound ultimately to get the business of the consumer who will seek the store that keeps advertised goods and refuses to trade at the store which does not. This salesman can say that he is not sent out to get the business that is the result of advertising demand, but *to get new business* by showing the dealer how to make sales which have been started and partially developed by advertising.

The dealer who understands the power of advertising will not be a price-cutter. He will be a conservationist, not a pirate, and will push his business on service lines; for service brings him the good-will and fixed buying habits of satisfied customers.

No advertising and selling campaign of national scope can be considered complete or apt permanently to entrench the product advertised as the leading staple of its class unless the price of the article to the consumer has been fixed justly.

Merchandise of universal distribution should be priced low, for two reasons:

(1) Because the patronage of the masses cannot be expected unless they get maximum value for their money.

(2) While cost does not measure the value of goods to people who have money enough to gratify their desires, a low price does enlarge the market for any product by bringing it within the reach of the largest number of people. It also fortifies the manufacturer against future competition. Persistent advertising supplemented by shrewd, competent salesmanship will *hold* a market once preëmpted.

Why? Because good advertising is the cheapest salesmanship; because the skillful advertiser can pay the highest salaries for the best salesmen, and still keep his total selling cost under that of his competitors.

Goods marketed through all channels of distribution are advertised in the largest way to benefit the consumer, the advertiser, and every intermediary in the plan of distribution. Such merchandise becomes a staple with the cost of moving diminished to the least figure. It actually pays best at a low price. It gets the widest market. It bears a sufficient margin to pay all those whose services are needed to give adequate distribution. This is the ideal condition.

The lower the price to the ultimate consumer, the less trouble the manufacturer will have with price-

*Confidence
vs.
Price-
cutting*

*Advertising
—the
Strongest
Ally of
Price Main-
tenance*

cutting, the wider will be his market, and the more likely he will be to establish himself permanently in it. He must remember, though, that the laborer is worthy of his hire, that stable conditions must be fostered, and that price maintenance is the mother and father of stability.

It cannot be out of place to close this chapter with the statement that a manufacturer who trademarks an article of merit and plans a comprehensive merchandising and selling campaign, the objective point of which is the confidence and convenience of the consumer, creates a staple in every sense of the word.

A well-advertised product towers above its competitors in the public mind, though it may be no more deserving. It has achieved distinction and acquired the consumer's preference. Its maker can *count on* a certain known demand. This insures better quality for the consumer. All this because he and she, the consumers, put their trust in the manufacturer's trademark. Price maintenance is the manufacturer's duty to protect the business he has created.

REFERENCES ON CHAPTER XVIII

"Price Maintenance," 1912 (the Commerce Publishing Company, Philadelphia), by Thomas A. Fernley, is the most complete exposition of the idea that has reached me. It contains many specific ideas for trade betterment. But the author betrays a peculiar lack of appreciation of the power of adver-

tising to do away with many of the evils for which he suggests other remedies.

Much of the agitation in favor of the Stevens bill seems to be wasted energy. Prof. F. W. Taussig of Harvard University has ably pleaded for leaving conditions as they are, in his address before the Twenty-seventh Annual Meeting of the American Economic Association. Inquiries in regard to membership should be made to Prof. A. A. Young, Cornell University, Ithaca, N. Y.

Professor Taussig pertinently says:

“It is easy to see how the work of retailing could be systematized, how the selling force could be kept constantly employed, how stocks could be kept to the minimum. As things now stand, we pay heavily for the privilege of freedom in the use of our time, for vacillation and choice, for the maintenance of a stock and a staff adequate for all tastes and all emergencies. It is common to speak of the waste of competition; much of it is in reality the waste necessarily involved in liberty.”

The particular point that Professor Taussig seems to overlook is that we should have a law which enables a manufacturer and retailer to agree on a resale price and make such contracts enforceable.

Louis D. Brandeis has stated the position I hold in a manner that has not been successfully assailed in the following terse statements:

“The law has been laggard in recognizing the social value of the one-priced article. Stability of price—

the knowledge that one citizen may procure an article for the same price that is charged another citizen—is akin to stable currency.

“No one has questioned the legal right of an independent producer to establish exclusive sales agencies. (It is in this manner that automobile manufacturers maintain their prices.) Then why should the maker of a trademarked article be prevented from establishing a marketing system under which his several agencies for distribution will sell at the same price?

“If a dealer is selling unknown goods or goods under his own name, he alone should set the price; but when he has to use somebody's else's name or brand in order to sell goods, then the owner of the name or brand has an interest which should be respected.”

CHAPTER XIX

COÖPERATION BETWEEN SALESMEN AND ADVERTISING—SALESMAN, THE CLOSER—ADVERTISING THE MISSIONARY

ADVERTISING becomes a significant element of salesmanship when the salesman perceives its power to implant the buying impulse in the minds of prospective customers. Then he can devote to closing sales, the time and energy he had been putting into stimulating them. A worth-while salesman's time is valuable, and should not be put to work that could be done by advertising. A salesman should be a closer, not a missionary.

Advertising serves the salesman by placing the dealer in the most favorable mental attitude before the salesman calls. The dealer soon discovers that advertising serves him, too, by continually developing in his customers the impulse to buy.

It follows that advertising cannot be completely productive until it has the salesman's confident coöperation.

The most successful salesman uses advertising in selling merchandise, just as the factory superin-

tendent uses modern machinery in manufacturing it.

It may seem strange, therefore, that it should ever be difficult to get a salesman to coöperate with the advertising of the institution which he represents.

Team Work Salesmen really sell ideas. The sale takes place in the buyer's mind when he lets the salesman's idea supplant his own.

Salesmen are human beings and must themselves *be sold on new ideas* to replace the old ones. So for the past ten years my work has largely been selling to salesmen who were already doing a good business the idea of coöperation with advertising.

First, it is necessary to convince the salesman that by coöperating with the advertising he can so greatly increase his sales that his net personal income will be larger, although computed on a smaller percentage of direct return to him on the individual sales.

Advertising is justified only when it serves the consumer. Personal salesmanship can be permanent only when it survives the same test. No manufacturing institution or retail store can advertise and pay its salesmen the same rate per dollar of actual sales without increasing the burden to the consumer. If the salesman is putting in full time and concentrating on his work, it is comparatively easy to convince him that more competent tools mean larger aggregate sales. It is applying to him-

*Increased
Income
for the
Salesman*

*Service
to the
Consumer
—the
Stability
Test of
Both
Advertising
and Sales-
manship*

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self the same principles of frequent turnover which are the foundation on which the best retailing is built.

The salesman who scorns the assistance of advertising, if he is to be consistent, should refuse to use the mails, the telegraph, and the telephone. Because the cost of these three agencies, which multiply so many times the possible number of buyers within his territory, must be charged to the selling appropriation.

*The
Salesman
with a
Medieval
Mind*

There are 92,919 commercial travellers in the United States, and 611,139 retail salesmen. Most of these 704,058 men and women are distributing merchandise to the consumer more economically than he could be served by any other means. There are also 317,811 agents and peddlers. It may safely be said that no agent or peddler delivers goods to the consumer at less than double the price he has paid for them. No advertised line that I know of, sold through local dealers, bears anything like such a selling cost.

*Utilizing
the Modern
Machinery
of Selling*

The commercial traveler and the retail salesman must decide whether they will be peddlers and do practically all the work of selling, or whether they will be salesmen in the true sense of the word, coöperating with all those forces which mean volume of business and are most economical and serviceable to the consumer.

I have often said that the first manufacturer of a competitive line who advertises can market his

product by means of advertising and the best type of salesmanship, pay his salesmen better salaries than his competitors can afford to pay theirs, and keep his total appropriation for *advertising and salesmanship* within the figure which previously had been sufficient for personal salesmanship only.

*Advertising
and Selling
Cost No
More than
Salesman-
ship Alone*

It is a question of "turnover."

This statement has been proved to be true for many lines, notably ready-made clothing. The clothing manufacturer did not advertise to the consumer at all twenty years ago. The best houses pay their salesmen 3 to 4 per cent. on their total sales. The advertising appropriation is generally less than this. It would not pay a salesman who handles a well-advertised line at 3 per cent. to exchange it for an unadvertised line at 10 per cent. With advertising, his volume of sales goes up immediately, and the conditions of work are more pleasant.

Salesmen for a certain manufacturer who advertises nationally to the consumer but distributes through the local dealer stop at the best hotels wherever they go, carry a packer whose salary and expenses must come out of their sales, and arrange in advance for customers within a radius of eighty miles to call on them on specific days, allotting two hours a day to each customer. They get these customers together in the evening for a conference and general coöperative discussion of trade-building plans in which all

*The
Salesman
Works on a
Bigger
Scale*

are interested. Under the old régime, the salesmen had to pack and unpack their sample trunks, and could not cover nearly so large a territory. Result: their total sales were much less.

A commercial traveller who understands thoroughly that his salary and expenses must come out of the goods he sells will take advantage of every force that will help him get the same result at less cost to the dealer and consequently to the consumer. He *knows* (at least he can know if he investigates) that intelligent advertising does work that he must otherwise perform—and does it at less cost. A retail salesman ought to be glad to push advertised lines, for by so doing he is rendering the consumer the largest amount of service, and making himself more nearly indispensable.

There are a number of large mercantile establishments which must adopt another method of dealing with their salesmen, or—have no chance at all twenty years from now. Unless they soon perceive that scientific advertising saves money, young merchants who do are going to crowd them out.

There are wholesale grocers who permit their salesmen to quote cut prices on staples, and then measure their value to the house by the amount of merchandise they have sold on which exorbitant profits have been made. This practice fosters a merchandising condition which is just about as bad as it could be. The retail grocer ought to respect

the wholesaler's salesman; this man can be an immense help to him in building a business. The

*Let the
Wholesale
Salesman
Coöperate
with the
Advertising
of Branded
Staples to
Set Higher
Standards
for the
Retailer*

grocer should be sold on coöperation. He should be taught how to explain to his trade that his service is *worth* the difference between the cost and the retail price of his wares. The handling of advertised staples by retailers fosters such a relation; but the salesman or jobber who confuses the retailer and destroys his conception of values is a force that pulls in the opposite direction and is demoralizing.

The commercial traveller who represents an advertised line and the retail salesman who talks to the consumer across the counter have a chance to study the buyer at close range and to adapt their merchandise to his desires and needs. Of the two the commercial traveller should have the broader outlook. He should be able to talk not only to the merchant but to his clerks, *from their own standpoint*, which is that of the man who purchases goods to sell again. He must also convince them from the standpoint of the consumer.

*It Is the
Salesman's
Job to
Educate His
Trade to
Coöperate*

In Chapter IV I have outlined the advantages to the individual of being a member of various groups. There is also this: that the leaders of the various groups to which you belong, by reason of the obligations of their office, relieve you of various duties, and much planning and organizing.

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Just here I want to point out that the man who co-operates is constantly educating within himself the highest type of individuality. We all know the man who, as a youngster, went into a large business house and did willingly and cheerfully everything he was asked to do; until it became a matter of habit to give him the first opportunity to handle whatever new responsibilities arose as the business grew. This type of man rises to the head of an institution as inevitably as cream comes to the top of milk. His ability to assume and make good on the varied tasks entrusted to him gives him a broad grasp of the business and develops individual competency and the sense of power which is the product of responsibility.

The word "responsible" really means "ability to respond," which is about as true a definition of "co-operation" as could be framed. The person who cultivates the ability to respond is constantly exercising those qualities which characterize the best type of manhood. I would qualify this statement only thus far—that such a man must test what he does by this one query: "Does the business I am engaged in and the work I am doing in connection with it give the consumer the best service which he or she can possibly obtain?"

Advertising flourishes where coöperation is understood and practised. A baseball team will have better catchers, pitchers, basemen, and fielders if each member of the team unmistakably and enthusi-

astically desires each one of his fellow-players to perform brilliantly and to constantly excel.

The reflex upon the man who practises coöperation makes him a better man; it enlarges his individual powers. It instils in the minds of his associates the idea of reciprocity, thus assuring him of their support

You Are when he needs it. Coöperation reduces
Bound the cost of production. By elevating the
to Get More standard set for all—because that standard
Than You constantly embodies the best thought of
Give, No each individual member of the organiza-
Matter tion—coöperation improves the quality of
How Much the joint product of all the members of that organiza-
You Give tion.

REFERENCES ON CHAPTER XIX

The idea which underlies scientific management is intelligent and confident coöperation. Salesmen will enjoy Frederick Winslow Taylor's "Principles of Scientific Management," 1911 (Harper & Brothers, New York City).

Harrington Emerson's books are authoritative and interesting. His "Thirteen Principles of Efficiency," are

1. Intelligent Use of Records.
2. Planning.
3. Scheduling.
4. Dispatching.
5. Standardized Conditions.
6. Standardized Operations.

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- 7. Written Standardized Procedure.**
- 8. Ideals.**
- 9. Common Sense.**
- 10. Competent Counsel.**
- 11. Discipline.**
- 12. The Fair Deal.**
- 13. Efficiency Reward.**

CHAPTER XX

ADVERTISING OPPORTUNITIES

THE advertising business in its various phases offers opportunities for three distinct types of men.

First, the personal salesman, who has the faculty of clearly grasping an idea and presenting it in a plausible and sincere manner. He is essentially social and sympathetic by nature and quick to see things from the standpoint of those he approaches.

This type has been very highly developed and I question whether the advertising business will see much in the way of improvement for many years to come.

Second, the imaginative, creative type of man who takes an idea in the rough and develops and refines it and at the same time gives to it the most clear, distinctive, forcible, and pleasing forms of expression.

*Three
Distinct
Types
of Men
Needed*

The successful copy writer and illustrator must be men of this type, and while there are a number of such in the field to-day, it is my conviction that we shall see a higher degree of development during the next ten years, than is possible among men of the first type.

The third type is the analytical, scientific, administrative man who comes into the advertising field most logically as an accountant. He should seek to find facts as they are. He should have, of course, sufficient imagination to know that the sentiments of prospective buyers are facts when selling plans are being considered.

But primarily he should hold both the first and second type in line by continually impressing upon them the importance of coördinating their efforts with his figures and facts.

There is more opportunity to-day in the advertising field for the third type of man than either the first or second. We have probably reached the top in advertising salesmanship; we cannot go much farther in developing writers and illustrators, but we can certainly use more men of the intellectual, scientific, engineering type.

By this I do not mean to say he will command the large incomes that come to salesmen, writers, and artists unless he has both an analytical and synthetic mind and is capable of managing a large organization.

He must have both executive and consecutive ability. He must do well every day the many little things that come to his desk that the salesman and the artist are prone to ignore.

He must master detail and never be immersed by it.

The word "opportunity" suggests a human being.

Imagination is the key to opportunity. To man only is given the power first to project a mental picture of a possibility and then to transform it into an actuality.

Progress is thought that has found expression in physical labor. Work without thought will always be menial and have to pay a heavy tribute to supervision. Thought which does not find concrete form in creation makes man a mere dreamer.

*Thought
Must Be
Expressed
to Be
Valuable*

The line between success and failure is so thin that every man has to keep two thoughts constantly in mind. One is to know what he can do better than other people; the other is to know how to convince all who can profitably use the kind of ability he possesses that he can and will deliver his service without friction. He must know what he knows and know how to coöperate with every one with whom he comes in contact in rendering service.

First, let me emphasize the fact that there is nothing mysterious or strange about the business activities which are covered by the word "advertising."

Young men who want to study advertising often come to me for advice. A little questioning makes it plain that they think advertising is a marionette show sort of thing, operated in some strange fashion by wires and hands not seen, and speaking a lingo all its own, a magic formula for making money rapidly—something

*Advertising
Is a Serious
Business*

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which can be acquired in much the same way that we learn the multiplication table.

The big field for advertising lies in its application to ordinary, everyday business. The business of producing, marketing, and using advertising space does require various kinds of talent and experience. But the big opportunity in advertising lies outside what is commonly known as the advertising business—and will for the next ten years. *The key to success for the young man* whose sole capital is brains and energy is the application of the principles of advertising to ordinary, everyday business.

There are several distinct types of advertising men.

1. The publisher or plant owner is the man who produces advertising space. It happens that he is rarely the best judge of its value to the advertiser;

The Publisher for he is primarily an organizer and executive. The best publisher is the man who knows best how to get and hold subscribers. The men who own street railway advertising and bill-posting privileges, painted bulletins and wall space, and electric signs, are concerned largely with leases and with the details of building and maintaining a plant.

2. The advertising solicitor who represents the publisher and plant owner must possess marked sales ability. The advertising solicitor of twenty years ago did not at all resemble the man who does this work to-day. Business men no longer need *to be persuaded* to advertise. Adver-

tising is not on trial now. Each advertising medium has won its own place in economical merchandising. Contract-getters are constantly being replaced by men who know the characteristics of the groups of people reached by the mediums they represent, and who can advise how best to use the space they sell. The ideal representative advises *against* the use of his medium when he knows that the advertiser's story is best suited to another. He seeks for customers those whose business can best be advanced by using his medium. He is after permanent business, and that predicates the possession of satisfied, loyal customer groups.

3. The advertising writer's work is to find out the salient points of the merchandise he is expected to sell, and its points of contact with the people whose confidence in the medium makes them accessible to him. The mere writing is simple, once the preliminary study has been completed. The illustrator differs from the writer only that he uses pictures instead of words. Both of them know well that in the interpretation of the advertiser's message to the group which can most be benefited by it lies the highest expression of the art.

4. The buyer of advertising space must be an analyst and a statistician. A goodly measure of experience and common sense added to this, and ability to read human nature, soon put him in the foreground of the advertising field.

*The
Advertising
Writer*

*The
Buyer of
Advertising
Space*

5. Printers, plate-makers, and typesetters advance beyond the limits of trade lines in direct ratio to their ability to comprehend and interpret the advertiser's message.

Broadly speaking, one of the best openings for the young man who wants to take up advertising is with the publisher. Each one of the 20,000 daily, weekly, monthly, and miscellaneous publications has a permanent place for the man who can increase its revenue and eliminate waste in the distribution of the fruits of intelligently directed labor. To do this he must insist that the advertising columns of the paper be as informative and interesting as the news columns. It is not as easy as it appears.

Many publishers have added to their personal incomes and made their publications more useful to the readers, and therefore more valuable to the advertisers, by writing copy for those who buy their advertising space.

It would pay each one of the 800,000 retail dealers of America to study advertising, the laws which govern it, and its methods; and then apply them.

The manufacturer who advertises serves the consumer by keeping in touch with him in gathering data for advertising, and by teaching him how to make the best use of what he buys. Every merchant, every salesman behind the counter, every commercial traveller, every sales manager, should know what is right and what is wrong in advertising. Those who

neglect so to equip themselves must not complain when they are supplanted by those who have done so.

It is noteworthy that universities are now offering courses in journalism and advertising, and that there are several correspondence courses in advertising that are well worth the time and money they demand. The only warning I should voice with reference to the study of advertising applies with equal force to all theoretical knowledge. A fact is a theory that has been demonstrated.

All learning is valuable in so far as it trains one to think and teaches the principles which control the everyday events of life.

The spirit, not the letter, is the thing. To imitate is servile.

Many an advertising failure is the result of following precedent blindly, of applying the letter of the law instead of its intent, the slavish imitation of the mannerisms and style of the successful. It is the frank, spontaneous expression, allowing the style to take care of itself, which has the appeal.

The quiet, unobtrusive service methods of present-day salesmanship, as contrasted with the boisterousness and occasional sharp practice of its forerunner of a quarter of a century ago, is paralleled by the differences between the advertising man of that period and the writer of copy, the illustrator, and the solicitor of to-day, who rely upon a simple, straightforward story to the consumer. An expres-

sion which diverts attention from the main issue—the service the consumer is to receive—is wasteful.

The opportunity in advertising is the opportunity which exists in all merchandising and selling—to eliminate waste, and to install and maintain simple, direct methods which conserve the buyer's time by giving him, with the least effort on his part, a complete understanding of the usefulness he is to have in his purchase.

REFERENCES ON CHAPTER XX

"How to Get a Position and How to Keep It," 1908 (Funk & Wagnalls Company, New York), by S. Roland Hall, will help the beginner market his ability.

"The Message to Garcia," by Elbert Hubbard, must always remain a classic in revealing the kind of man who grasps and makes the most of the opportunities that are in his path. Mr. Hubbard's brochure, "Get Out or Get in Line," is typical of his sound business philosophy. His style can be profitably studied by every writer of advertising copy.

CHAPTER XXI

THE ADVERTISING MANAGER

THE young man who is considering making advertising his life work is apt to think that the position of advertising manager is the most desirable goal.

In so many cases he has a notion that the work of an advertising manager consists mainly of sitting at a desk where he interviews men who have all kinds of space to sell, photographers, printers, engravers, artists, and dealers in novelties.

True, there are advertising managers whose only duty it is to act as a buffer for the man higher up.

*The
Advertising
Manager
Should
Direct
Sales*

And to a certain extent this is worthy work. Many of them show keen discrimination and judgment in selecting from the mass of detail which comes to their attention each day the ones which deserve to be taken up with the sales manager or the head of the business.

The duties of an advertising manager cannot be strictly defined in scope, or standardized. In many cases an advertising manager has absolute authority; or he may have authority only to investi-

gate and make recommendations. Still others are clerks to whom the checking of detail work is delegated.

The duties of an advertising manager, strictly construed, should be those of a sales manager—he should interpret the sales policy of the business, both to the personal salesmen and to those who are reached through the medium of printers' ink. My twenty years' experience in the advertising business lead me to believe that the advertising manager's job is just about as big as the man who occupies it. Mr. H. M. Swetland, president of the Class Journal Publishing Company, once said to me that he couldn't make a trade paper any bigger than the man who was editing it.

Sometimes it has happened that an advertising manager, with his first broad insight into business, has grasped the possibilities of the market, in its relationship to the group of people that sustain and make it possible, better than his superior officers have. And, in consequence, has been advanced to the highest executive positions in other businesses in charge of men who were big enough to appreciate creative ability and grasp of selling opportunities.

Instances could be cited, almost indefinitely, of the rise of the advertising manager, in present-day big businesses, to an executive position having a part in the direction and control of the policy of the institution.

In the course of a successful business career every man passes through four distinct epochs. First, *The Four Epochs in a Business Career* in the days when he is earning enough money to pay for his clothes and board and have something besides, without being dependent in any way upon his parents, comes the consciousness that he can support himself.

This is a prime satisfaction, to be remembered fondly. It is the foundation upon which the executive has built his career—the fact that he can say that at a certain age he performed a certain duty for a certain sum, and that he earned what he got, without any pull, preference, or any consideration other than actual value rendered the business upon whose pay roll his name appeared.

In the second epoch the young man has measured up to taking care of, *without supervision*, responsibility which is delegated to him. He realizes that he is trusted and must act upon his own initiative and in accordance with his own judgment. He has learned that honesty, dependability, and the power to accept responsibility bring him extra cash dividends, dividends in addition to the sum to which the amount of physical and mental labor he can put into his task entitle him.

This is the position occupied by many travelling salesmen. Unfortunately for them and for the firms they represent, sometimes they feel that this stage is the limit of their ability, a mental attitude which handicaps them seriously.

The third epoch might be termed the executive period. It begins when the man first realizes that, if given assistants to whom he might delegate work to be handled under his supervision, he could accomplish more for himself and more for his employers. The man who reaches this stage is on the sure road to advancement, for there is always some one ahead of him doing work he can well afford to delegate, in order that he may have time for bigger things.

*Delegating
to Sub-
ordinates
Is Epoch
Number
Three*

The organization which makes every member of it feel that there is work to be done which is worth more money than he is now getting, and that in order to handle the higher grade of work he must delegate wherever possible to men getting less than he is, is bound to be a growing, united, progressive, successful business.

The man in the fourth epoch of development is able to command the coöperation of men more expert than he. As the head of a department he greatly increases his power by winning the confidence of other heads who are co-ordinating with him. As chief executive of a big business, the man who can get the most help from his lawyer, his banker, and all the experts associated with firms from whom his business buys and to whom it sells, is worth much more even than is one who is prolific of original ideas. True executive ability is shown in getting things done by the men most competent to do them.

*Command-
ing Co-
operation
of Big Men
Is Fourth
Epoch*

The advertising manager should delegate as much work as possible, for the reason that by working with experts he will get the best work done on the most economical basis. His judgment as to where and how things should be done is worth more to the house than his skill in doing things himself. In this way he is bound to put himself in a position where he can grow with his institution.

*Good
Judgment
More Im-
portant
Than
Handling
Details*

Fortunate indeed is the young man who is advertising manager for a business the executive head of which is dominated by an ambition to be a controlling factor in the market. For such a man is always ready and willing to assume increased responsibility himself, and when that happens will delegate freely the work he is doing to men who can take it off his hands.

It is often necessary for the young subordinate to take work away from the executive, by main force. But if the latter aims to be a dominating factor in his market, he will approve rather than resent such action on the part of his advertising manager. Fortified with a simple system of accounting which shows at all times that he is taking care of the responsibilities entrusted to him, the advertising manager is sure to advance more rapidly, in a large business, than will associates having equal ability, unless it be the general sales manager.

An advertising manager should keep in touch with general literature of all kinds. He should constantly

watch the development of new ideas. He should take his work seriously, and develop the broadest possible culture, keeping always in close touch with all the men who have practical experience in the details of the business with which he is connected.

It is the same principle that inspires the head of the largest business to use the best banker, the best physician, the best architect, the best engineer, the best lawyer, the best expert in every line. And it is the man who entrenches himself in modern business in this way whose position is practically impregnable.

The advertising manager should be the peer of every one of his associate officials. To perform fully

*The
Business
Should Be
an Open
Book to the
Advertising
Manager*

his function, as I have said before, he should have the supervision of sales. He should be a part of every conference at which the policy of the house is discussed. Advertising is effective in so many different directions that no question arises in any business organization upon which advertising has and can have no bearing.

An advertising manager, in order to comprehend his responsibility fully, should have passed through the three preliminary epochs of business experience and be in the fourth. He should deserve and be able to get the complete confidence and intelligent co-operation of the head of the business.

He should be able to command the confidence and coöperation of the factory superintendent and of all the salesmen on the road, whether they report

directly to him or to another who has coördinate authority with him in sales. He should be able to employ (and secure the best results from his personal contact with) expert printers, advertising writers, publishers, and organized advertising institutions equipped for giving service.

It has been well said that a bad workman quarrels with his tools. The advertising manager who complains that he cannot get service from those with whom it is his business to deal thereby stamps himself as mediocre. Ability to inspire men with whom he does business to do their best is one of his greatest assets. It is the quality in him that will make his efforts count for most.

Advertising in itself is too complex, too broad in scope, too infinite in detail for any one man to master it all. The man who accomplishes most as an advertising manager is the man who knows where the best work can be done and how to get it for the institution with which he is connected. But he cannot get it by sitting in his office and waiting for good things to be brought to him.

There are men, capable and valuable, who have not yet learned how to sell their ability in a market where it will be most appreciated. No man ought to be more conscious of this than the advertising manager, and he should be most alert to leave his office to find out where the best service, in the lines he can use, is to be secured and developed.

*The Strong
Advertising
Manager
Must Be
Mature in
Development*

*Knowing
Where to
Get the
Best the
Secret of
Success*

I should advise the young man who accepts the position of advertising manager for a business that has never done any advertising to proceed about as follows:

Usually he is expected to write their copy. The best thing for him to do—and he shouldn't undertake the job at all unless he is able to write plain, sensible, ordinary, everyday, one-syllable English—would be to saturate himself with the ideas by which the best salesmen of the house produce permanent business. By permanent business I mean sales to customers who show their satisfaction by repeat orders and a constantly increasing volume of business each year.

*Advice to
Advertising
Manager
in a Con-
cern New to
Advertising*

When completely saturated with every phase of the service which his house excels in performing, the advertising manager will embody this knowledge in the copy and letters he writes, intensify the hold the house has on its present group of customers, and intelligently devise ways and means of enlarging the customer group.

The next step is to select a printer in whose honesty and integrity he has complete confidence. He should accept no favors of any kind from him. If he goes to lunch with him, he should make it a rule, either to buy his own lunch always, or to alternate with the printer in paying for lunch for both.

The temptation to accept little favors from those

from whom one buys is great. But the advertising manager who can be influenced only by quality and service and who insists, in the name of his firm, upon reciprocity in matters of this kind, has gone a long way toward insuring his own standards and getting the best service from those with whom he deals.

Getting Saturated with Information Essential A good printer is a man who knows how to manage his own business successfully, who doesn't estimate on a hit-or-miss basis, who has an organized, systematic scale of prices, and figures fairly and honestly. Such a man will usually have time to confer with the young advertising manager, and, because he is a good business man himself, can generally be of assistance in the solution of the advertising manager's problems.

Get a Good Printer I know several young advertising managers who owe much to having given their confidence to self-respecting successful printers, having a regular scale of charges, who do business on a sound but profitable basis.

Everything said about the printer is true of the engraver, the paper house, and all the others who come in to sell to the advertising manager. The latter should never forget for an instant that he is a trustee of his employers' interests, that he can maintain his self-respect only by handling every dollar so that it will produce the largest possible return for the house.

Many young men do not seem to realize that a high standard of responsibility has a reflex in the

development of their character. It also attracts to them a class of men who can afford to be discriminating in the customers they select.

The man who buys on a service basis is bound to be cultivated by men who sell on that basis. It is certain that intimate, confident coöperation between men who buy and sell, each giving the best possible service to the business for which the advertising is being developed, is sure to maintain advertising itself on the highest possible plane.

Much could be said about the observance of orderly, systematic habits in one's personal life and in relation to one's business associates.

It is a mistake for an advertising manager to allow any man holding a responsible position in the organization to remain in an indifferent or an antagonistic attitude toward him.

*The
Advertising
Manager
Must
Command
Good-will
in His
Organiza-
tion*

It is the function of advertising to create good-will. An advertising manager can scarcely expect to organize and systematize the protection of good-will for his house unless he first has mastered the art of creating good-will for himself inside his own organization.

The general manager of a large institution told me once that his advertising manager would more than earn the very large salary he was being paid, even if he never wrote any copy or did anything except promote harmony and good fellowship among heads of departments.

I should also advise every young advertising manager to shoulder every bit of responsibility he can make good on. The first thing he wants to do is to create the impression that if there is work to be done, he can do it. Then he should systematize his own work, so that not more than 50 per cent. of his time is occupied with its actual details. A good executive can organize his work so that he can be free at least half his time, free for interviewing those who call to see him, and to go out in search of new ideas.

I believe an advertising manager should accord at least one audience to every man who calls on him. If the salesman does not convince him then that he has something the house needs, he is not entitled to a second interview.

The advertising manager who tells callers about his own achievements and what he intends to do is wasting time for everybody concerned; unless he does it deliberately, with the idea of stimulating more valuable suggestions or confidences from his listeners.

The best way to get the whole story of the man who calls on the advertising manager is to let the caller do all the talking. Few men have a story that cannot be told within fifteen minutes. A man who has posted himself sufficiently on the business of the house, and still takes more time than that to tell his story, ought to be listened to respectfully and encouraged

*How to
Get All
that
Callers
Can Give*

to bring in other ideas on which specific suggestions for usefulness could be based. Nothing proclaims the business ability of an advertising manager more effectively than willingness to accept ideas and suggestions, and to accord credit freely to all who bring them to him.

REFERENCES ON CHAPTER XXI

“The Job, the Man, the Boss,” by Blackford and Newcomb (published by Doubleday, Page & Co., New York), is a valuable book for an advertising man to read. It will help him determine the character of the men who call upon him, and it will put him in position to advise and counsel with the executives.

“Thoughts on Business,” by Waldo Pondray Warren (published by Forbes & Company, Chicago), are suggestive and stimulating to guide one’s own thinking. It is well to remember that thoughts must be put into action constantly in order to prevent the thinker becoming a dreamer.

“How to Write a Business Letter,” by Chas. R. Wiers (published by the author, 631 W. Delavan Avenue, Buffalo, New York), is the most thoughtful and practical treatise on this subject that I have seen. Anybody who writes will be benefited by reading Mr. Wiers’ book.

CHAPTER XXII

THE ADVERTISING SOLICITOR

THE actual work of selling gives me greater pleasure than anything else I do in business.

I have said many times that I do not believe I am by nature a salesman. It was wholly a bread and butter proposition that started me selling space for an Iowa newspaper edited by my father for more than fifty years. It was there that I got whatever education I received after graduation from high school and one year at a small academy.

My first attempt to sell space in our newspaper was laughable. I tried to persuade a man in the

A First Attempt at Soliciting tombstone business to have a clearing sale. I was reading the Chicago daily papers and it seemed that was about the only thing the retail merchant could advertise. Three months later I called on the tombstone man again, and he told me, with considerable feeling, that I had done him a great injury.

Asked if no one had read his advertisement, he answered: "Oh yes, I think everybody must have read it."

He had lost ten good jobs, he complained, promised

him by farmers if their harvest should be good. For his competitor had told them he was going out of business, and the farmers would not have believed it if they hadn't read the clearing-sale advertisement.

I have said many times that what I know about advertising has been gained by actual sales experience, from which I deducted fundamental working principles. I am quite willing to concede that advertising can harm the advertiser as much as it can help him.

*Advertising
Can Harm
as Well as
Help*

Advertising is a good deal like food. Three meals a day keep one in better condition for work than spasmodically gorging and starving would. Too little and too much are equally harmful. Successful advertising will always call for careful judgment which is based upon positive knowledge of actual conditions.

In Chapter XXI, I indicated that an advertising manager who wants to give his customers the largest possible service for their money can well afford to cultivate the coöperation and confidence of printers, engravers, and dealers in advertising supplies who are creative salesmen, "creative" in the true sense of the word.

This fact is the advertising solicitor's greatest opportunity. He must know accurately the merits of the medium he represents. He ought to know what the medium he is selling will do under certain definite conditions. This is a part of his equipment.

*A Solicitor
Should
Know
What He
Is Selling*

His success depends upon his ability to make sure

that the person or institution buying from him gets the largest possible service in results.

No retail merchant ever voluntarily bought space in the daily paper for which I first solicited advertising. But the traveling patent medicine man, the advance agent for the circus and the man who came to town every now and then and rented a storeroom where he conducted a fire sale, always called on us and bought space; apparently with the purpose of appearing to be liberal and free-handed spenders.

Some of my most valuable lessons in advertising were gained by helping the retail merchant write his copy. When I moved to Chicago, in

*Writing the
Advertisement Once
the Dealer's
Prerogative*

1891, very few business men were willing to admit that any one could write their advertisements as well as they could.

One of the marks of progress in advertising is the change which has taken place in the minds of advertisers and advertising managers as to who can best write their copy.

Few men are able to put into clear-cut, understandable English the sales-impelling thoughts of a masterful, creative salesman. It is a gift, and a power—this knowing how to put words and phrases on paper, or to put ideas into an illustration, so that the advertisement will influence thousands, at a time, to do that which the personal salesman can get only one at a time to do, at the cost of a talk lasting from twenty minutes to two hours in each case.

The advertising solicitor's opportunity lies in un-

derstanding the service possibilities of the advertising accounts he is soliciting. He must be resourceful.

*A Solicitor
Must Give
Service*

He must be able to convince those whose business he seeks that his medium, plus his ideas in connection with the use of it, will give the largest possible service to the advertiser.

The service idea is very marked in advertising salesmanship to-day. It will be more so in the future.

We have outgrown the old idea of salesmanship—that it was clever to catch the buyer unawares and “put something over” on him. Review mentally the names of the men who were prominent in advertising salesmanship twenty years ago, and compare them, in personality and method, with the men who are leaders to-day.

I have often said I was trained in the school of salesmanship which taught that the best salesman

*The New
Order of
Soliciting*

had the most turn-downs, because he made the most calls.

The lost sale is the greatest opportunity in advertising to-day. The man who sells advertising space or advertising material must master the art of having practically no lost sales.

One of the most effective means of winning the

*Turning
Down
Business
a Royal
Road to
Future
Business*

confidence of the buyer and of making sure of getting a hearing, as against competitors, the next time he is in the market, is to decline to sell him, even when it is apparent that the sale could be closed, if it is evident that the purchase would not be profitable for him.

This is a form of advertising which the advertising solicitor can cultivate most profitably. One of the surest ways of proving your sincerity is to refuse to make money when you have a chance.

By convincing the buyer that you want his money only when you can give him the largest possible service for it, the advertising solicitor saves himself many fruitless calls. Then buyers will regard his call upon them as an honor. When they learn that he is in the reception-room, or is telephoning for an appointment, they will feel sure he has something to tell them which they cannot afford to miss.

In this way the advertising solicitor can build permanent personal prestige and a loyal customer following; thereby overcoming, to the largest possible extent, the general handicap of being able to be in only one place at a time and of being limited to not more than ten efficient hours' work each day.

If asked to advise a young man who wants to become an advertising solicitor, I should urge him to get a position with a well-established, well-managed newspaper or magazine, a printing or an engraving house. Select as employer one who has a reputation for making good on every responsibility. Pay no attention to the size of the salary for the first year.

Then I should make a list of prospective
Soliciting
Is a
Serious
Job advertisers, selecting those whose position
in the market fits them for delivering a
larger service to the group of people
which your medium serves better than any other.

Know your own medium absolutely. The best way to find out all about it is to start out selling it. Jot down in a memorandum book every question asked you. When you go back to the office have this answered by the man who knows most about it. The next time that particular question is asked, you will know how to answer it clearly, concisely, and completely.

Very soon you will have at your tongue's end clear-cut, definite, convincing answers for practically every question the buyer will ask.

In presenting the merits of what you have to sell, always visualize the maximum assistance it can give the prospective advertiser in accomplishing his plans for his own market.

Avoid discussion of technical detail.

Never discuss competitors. This is the safe path for the young solicitor; it is the custom even with the majority of old-timers who are in position to discuss competitors intelligently and accurately. Their time is too valuable to waste upon argument.

The best informed salesmen I know (if competitors are discussed at all) name the particular in which they consider the competitor most successful. Then, conceding this, they prove that the house which they are representing is even better equipped for giving just that kind of service.

The advertising solicitor ought to take his work seriously. He should be serious in his approach

and in his discussion of business matters with the buyer. He should never joke about his own business or speak flippantly of it. He cannot command the respect of other people unless he himself treats his business respectfully. Confidence and respect are so nearly synonymous and so interwoven that it is difficult to separate them. Confidence is the only basis on which permanent business-building sales are made.

*A Solicitor
Should Be
Sociably
Serious
—Never
Clownish*

By this I mean, not that one shouldn't joke or laugh and have a good time, but that one's stories should be clean and all jokes should be about things having nothing to do with business and in no way reflecting on the honor or integrity or the ability of the people associated with him and the house he represents.

An advertising solicitor should know more about the use of the medium he represents than the man he is soliciting can know. He must make the man to whom he is talking *believe* this. The surest way to do it is to be so strongly equipped with knowledge, facts and figures about how his medium has been used that he can discuss the subject accurately and intelligently.

*The
Solicitor
Must Know
—Bluffing
Doesn't Go*

The advertising solicitor should be definite in his statements. He should not deal in generalities. He shouldn't tell a partial story. If he gives a definite transaction in detail, he should point out both its good and bad features, and endeavor to show how the latter might have been avoided.

One of the best rules for an advertising solicitor

to follow is the old one: "Plan your work and work your plan." He must avoid antagonizing the buyer. And for that reason he should discuss with him no subject about which there could be a justifiable difference of opinion.

Under no circumstances should an advertising solicitor or a salesman permit criticism of the house he represents. This is the most serious reflection on his own judgment that can be made. A good salesman does not have to associate himself with an inferior business.

The man who allows a buyer to say that he is all right but that his house is wrong is committing business suicide. If the house is wrong, he should quit it. If it is right, he should defend it and absolutely refuse to listen to criticism. Minor errors should be conceded and corrected without discussion.

The best businesses are constantly on the lookout for and eager to hire more salesmen of the right sort.

There is no work which affords a more pleasant opportunity for making use of the best there is in one than in the sale of advertising space for a large institution. It means working with 13-inch guns, it is doing things in a big constructive way.

The demand for big men as advertising solicitors greatly exceeds the supply. And the period of training which fits one for holding such a position is longer or fully as long as that which the lawyer, the physician, the architect, and the engineer must have.

It is the old story it takes longer to lay the foundation for a twenty-story building than for a two-story cottage.

*The Hunt
for
Good Men*

Young men must be ready to work and eager to learn while they are developing.

Training the judgment is an essential part of preparation for filling big positions in the advertising business. Fortunately, judgment can be trained, for judgment is experience, intensified by clear, analytical thought. Judgment gives men courage to try the task they know to be fundamentally sound, over and over again; convinced that ultimately all obstacles will be overcome.

The two largest publishing interests in the United States are conducted by men who are conspicuous for periodically going out on what they call a "man hunt." The officials of these organizations have been recruited from all over the United States.

Men in small places (who have swung responsibility in a well-rounded way) are sought for, to fill the larger positions. A well-balanced character, ability to see below the surface, courage to continue, no matter how many the rebuffs, confidence that sound business principles will ultimately win, and

*The Solicitor's Fate
Lies
Largely
in His
Own Hands*

a rigid adherence to what one is convinced is sound basically, all tempered by courtesy, kindness, and forbearance, are bound to win in the long run.

The advertising solicitor's hazards are many, more numerous than in any other line of

business with which I am familiar. But the mastering of all these difficulties gives him the satisfaction of achievement and accomplishment which maintains his own self-respect. This, after all, is the goal most worth striving for.

REFERENCES ON CHAPTER XXII

The editorials of Arthur Brisbane in the Hearst papers are well worth careful reading by every solicitor for three reasons: (1) Mr. Brisbane understands the group spirit and knows how to hold attention of a very large portion of the reading public; (2) he keeps in very close touch with the development of scientific and philosophic thought, and (3) because of his masterly interpretation of technical subjects in plain, simple language that anyone can understand.

It is my conviction that an advertising solicitor ought to be reading continually the works of men who have given much thought to specialized subjects such as Ruskin's "Unto This Last"; George Horace Lorimer's "Old Gorgon Graham: More Letters from a Self-made Merchant to His Son" (Doubleday, Page & Co., Garden City, N. Y., 1904); Otto Weininger's "Sex and Character" (G. P. Putnam & Sons, N. Y., 1906); Crewson's "Tales of the Road" (Grossett & Dunlap, New York), and H. G. Wells' "War of the Worlds" (Harper Bros. & Company, New York, 1909).

All these books stimulate thought and suggest new

ways of approaching the solution of fundamental problems.

"Getting the Most Out of Business," by E. St. Elmo Lewis (The Ronald Press, New York), is a very readable presentation of modern "efficiency" thought from the standpoint of a successful advertising manager. (NOTE: I intended in writing "Advertising-Selling the Consumer" to refrain from using the words "efficiency" or "psychology" but I really need the word "efficiency" to describe the contents of Mr. Lewis' book.)

The Ronald Press publishes a number of other books of special interest to advertising men. Specially noteworthy are:

"Selling Newspaper Space" by Joseph H. Chasnoff, late Manager of Advertising Promotion, St. Louis *Republic*, 1913, 133 pages, 5½ x 8. Cloth, \$1.50.

"Advertising—Its Principles and Practice," Tipper, Hotchkiss, Hollingworth, and Parsons, 1915. 575 pages, 162 illustrations, Cloth \$4.

"Effective Business Letters" by Edward H. Gardner of the Faculty of the University of Wisconsin. Second edition, 1915, 376 pages, 5¼ x 7¼, Cloth, \$2.

CHAPTER XXIII

MAIL-ORDER ADVERTISING

ADVERTISING is most competent when it serves the consumer in the distribution of worthy merchandise through the natural channels of trade.

Some people think that the mail-order business is an illogical and unnatural business, because it eliminates the jobber, the traveling salesman, and the retailer. It is not. It is the direct result of intelligent and adequate advertising. No one can fully grasp the power of national advertising and merchandising through the ordinary channels of trade until he clearly comprehends the possibilities and the limitations of the mail-order business.

The total business of mail-order houses cannot be accurately determined. The business for 1914 of the two largest aggregated less than \$200,000,000.

*Plenty of
Room for
Both Mail-
order and
Dealer
Business*

It is not possible for me to believe that all others brought the grand total up to \$1,000,000,000.

There are 20,689,000 families in the United States. Their income is about \$27,000,000,000. With twenty-seven billions coming

in and not over one billion going out in mail-order business, our 790,886 retailers and 42,293 wholesalers have a chance to do an excellent business.

There are in the United States 2,164 towns having a population of 2,500 people or more or a total of 41,140,847. More than 42,000,000 people live on our 6,361,502 farms. This leaves about 8,000,000 in villages of less than 2,500. Our 42,517 rural mail routes serve 16,199,000 people. These figures

*Mail-order
Business
Natural and
Legitimate*

prove that there is a natural and strictly legitimate place for mail-order business, and it is bound to increase in volume each year.

A large wholesale jobbing house has recently been estimating the cost of doing business with three classes of merchants, i. e., those located in towns of (1) less than 2,500 population, (2) between 2,500 and 25,000, and (3) 25,000 and up. The figures prove it does not pay to send a traveling salesman with a full line of samples to a town the population of which is less than 2,500; and that unless the merchant himself goes to the market often, he cannot meet mail-order competition, for his merchandise will not satisfy the wants which the newspapers and magazines have aroused by the story of what is newest and best in the large cities.

For many years I have been asking my dealer friends this question, "Does a live, wide-awake local merchant who comes to market at least twice a year fear mail-order competition?" I have still

to find an instance in which a good merchant was unable to meet and overcome it. Mail-order business depends on the inadequate stocks or incompetency of local merchants or serves a class of people so widely scattered and having wants and desires so occasional that it would not pay the local merchant to consider them.

This, it seems to me, is the logical field of mail-order business, and retailers and mail-order houses are recognizing it. It includes courses of instruction by correspondence, awarding premiums for the sale of soaps, perfumes, teas, and coffees to one's neighbors, buying diamonds and household furniture on the installment plan, and all kinds of farm utensils, building materials, bicycles, buggies, pianos, piano players, and the like. Dealers in poultry and poultry supplies, and subscription agents have been especially successful with mail-order methods. The purchasers are so widely scattered and the lines so seasonable that it does not pay the retailer to stock them.

Quite a number of nationally advertised lines of merchandise were started in a mail-order way. When a group of influential consumers had been developed, the agency for the line was given to a local retailer, who coöperated with the national advertising. This plan has been most economical and successful in introducing such articles as card-index cabinets, sectional

*The Live
Wide-awake
Merchant
Has No
Fear of
Mail-order
Competition*

*The
Field That
Mail-order
Advertisers
Serve
Better Than
Any One
Else*

*Many
Nationally
Advertised
Lines
Started in a
Mail-order
Way*

bookcases, guaranteed hosiery, tailors-to-the-trade supplies, washing machines, safety razors, typewriters, and cameras.

Each mail-order house builds its own consumer group. The sum total of these small groups constitutes one great group which buys by mail. There are a number of publications of national circulation whose subscription lists are the result of sending circulars through the mails. There are some which are called "mail-order papers."

Those who subscribe by mail are most likely to buy by mail. In Augusta, Me., a city of 13,000, two publishing houses send out, each day of the year, an average of more than a carload of mail-order matter. To look through the advertising columns of these publications, to answer the advertisements, and to study the follow-up material would be a liberal education in mail-order methods.

No mail-order business that I know of has been successful in attempting to sell direct from its advertisements.

Mail-order advertising aims to locate possible buyers. Whether or not a mail-order business will pay depends upon the contents of the catalogues, printed literature, and sales letters which are sent out to follow an inquiry. Many of the mail-order businesses which have accumulated money during the last twenty years have been based on plausible but in-

*Choosing
the Medium
for
Mail-order
Advertising*

*Follow-
up Systems
Necessary
in Every
Mail-order
Business*

sincere appeals. But the government has put most of these fakes out of business.

Mail-order houses which make good on their promises merit the confidence their customers have in them. Their catalogues are informative, models of logical and emotional appeal, and could profitably be studied by every merchant and clerk who handles similar lines. Houses which put out large catalogues reckon each page as worth several thousand dollars in sales power. Each department is charged with the cost of the space it occupies in the catalogue. Therefore a high premium is placed upon ability to write accurate, informative, sales-compelling descriptions of the items illustrated there.

Catalogues are not sent out indiscriminately. Great care is taken to prepare the mind of the recipient for the catalogue and to invest it with value in his or her eyes. Customers who have not ordered for some time are cut off the mailing-list.

Each letter or inquiry is completely and cheerfully answered. Each complaint is given courteous and careful attention. The confidence of the buyer is stimulated and courted in every possible way, even to sending goods on approval. This really is not the risk it appears, because the postal laws of the United States are strictly enforced. Our Government deals promptly with the man who buys merchandise by mail and does not pay for it. Express

*Sales
Producing
Matter of
High
Quality
Used by
Mail-order
Houses*

*Creating
Confidence
—the Con-
stant Aim
of the
Mail-order
House*

companies allow buyers to inspect goods sent them on approval by a mail-order house and return them to the shippers if they are unsatisfactory.

It is interesting to note (as proof that the mail-order business does not encroach upon the territory covered through the ordinary channels of trade) that large retail stores have found it impossible to build successful mail-order departments with the talent which is useful and valuable in serving the consumer over the counter.

There is something fascinating about being able to write a piece of copy that will produce direct mail-order replies within a certain cost. The preparation of mail-order literature, the answering of letters, and the handling of the goods themselves must be delegated to persons who realize that they must more than offset the prestige-producing and confidence-building effect of a well-located store, attractive counter and window displays, and capable salesmen. The copy-writer must understand the value of these factors, and replace them in his advertisements, catalogues and in the letters and other "follow-ups" he sends to each inquirer.

The building of an advertisement which shall attract new customers for a mail-order house is as severe a test as a copy writer can be put to. Unless he gets enough direct responses from the right class of people to make the merchandising effort as a whole

*Mail-order
Copy Must
More than
Offset the
Prestige,
Displays,
and Per-
sonal Sales-
manship
of the
Store*

236. ADVERTISING—SELLING THE CONSUMER

profitable, his work is wasted. He must know how to tell an interesting and plausible story; he must also have the faculty of putting into that story an appeal to the buying impulse which will bring a response large enough to prove constantly that his work is being well done. He must keep in mind the cost as well as the stimulating character all the follow-up material which is to be used upon these inquiries, so that he will not attract the merely curious.

The trained writer of mail-order advertisements knows that a single word may affect seriously the number of inquiries received. The headline, "Increase Your Salary," brought twice as many inquiries, in the same publication, as "Increase Your Income," the body of the advertisement being exactly the same.

*Every Word
Must Be
Carefully
Weighed in
Writing a
Mail-order
Advertisement*

A considerable portion of the want columns of daily newspapers and of the advertising space of mail-order papers is devoted to "Agents Wanted" advertisements. The consumer undoubtedly pays more for an article that is peddled from house to house than for an equivalent value to be had at any reputable retailers.

It is safe to assume, however, that as long as human nature is as it is, the satisfaction of having one's trade sought after and the pleasure of listening to a forceful sales talk will make it profitable to peddle sewing machines, subscription books, enlarged por-

traits, and many household articles. Almost all such agents are secured by mail.

Manufacturers whose product is to be sold by canvassers put out ingenious advertising and follow-up matter. The word "Rider," in front of the stereotyped but none the less dependable words "Agents Wanted," brought the Mead Cycle Company 630 answers from a single insertion of an inch advertisement in the *Youth's Companion*. Something about the headline, "Rider Agents Wanted," gave the old story a new significance, and many people wrote in who decided, when the agency plan was explained to them, to buy the bicycle but not to canvass for sales.

Six pieces of copy, with different headlines, but all telling the same story, published on different pages of the same publication, brought answers costing from 8 cents to \$1.54 per inquiry. A good piece of mail-order copy can carry an expenditure of from \$50,000 to \$200,000 before it wears out. A business which sells a course of instruction pays as high as \$1.00 per inquiry, and makes good money on each of seven follow-up letters which are sent out within the next eighteen months.

The best foundation for a mail-order business is the list of names resulting from dragnet advertisements in mediums of general circulation.

Businesses have also been built up by circularizing

lists of names. Several houses make a specialty of listing dealers according to sections, ratings, and the kind of merchandise handled, and guarantee the names to be live and that the addresses are correct. There is also a business in selling names that are taken from answers to mail-order advertisements. At clipping bureaus one can buy lists of the names of persons who are accustomed to travel, those who are reported ill of certain diseases, those who contemplate building, and other information which is gathered from the newspapers.

Seldom are mail-order advertisements used for any other purpose than to get new names of possible customers. Some houses have used large space in order to get a certain prestige. But in mail-order work the custom is to use no more space than is necessary to locate a possible buyer. Prestige-building and confidence-developing work must be done by the catalogue and follow-up literature.

*Mail-order
Advertising
to Focus
Attention
on the
Catalogue*

For many years a certain large seed house that sends out more than 500,000 catalogues during December and January has used large space in publications which have big circulations in March. Apparently the aim was to get new inquiries for the catalogues. But in reality it is to centre attention upon the catalogues already placed in these 500,000 homes, and to stimulate immediate purchases.

Much of the "Agents Wanted" misleading mail-order advertising has been barred out by the better class of national publications. It will be refused by large daily newspapers as soon as their publishers realize that the confidence of the reader is an asset which should not be trifled with by advertisers who do not make good in every way.

*Writing
Mail Order
Copy a
True
Training*

Many men who have been successful in planning and writing mail-order copy have found a larger and more profitable market for their ability in connection with the established channels of trade.

For many lines of business, then, mail-order methods of locating and selling the customer are most economical, and for the introduction of a product often afford a quicker, more satisfactory, and more profitable national distribution than could be secured in any other way.

REFERENCES ON CHAPTER XXIII

A live and readable monthly, the *Mail Order Journal* (Chicago), contains all the news about mail-order advertising and much valuable information about general advertising.

In 1900 the Sawyer Publishing Company, Waterville, Me., issued an interesting book, "Secrets of the Mail Order Trade." Though much of its data is now obsolete, it is well worth reading as an historical document.

A complete series of the catalogues of any great

240 ADVERTISING—SELLING THE CONSUMER

mail-order house would give one the most graphic history of the development of mail-order methods and ideas.

By answering the advertisements and reading the follow-up matter sent out by a successful mail-order house one can make sure that one's information is up to date.

CHAPTER XXIV

NATIONAL ADVERTISING AND EXCLUSIVE DEALERS

ONE of the fallacies which an advertising man must combat constantly is the statement that if a little advertising is good, more of it should be a great deal better. Advertising is like food—it should be taken, not as an end in itself, but as a means to an end. Three meals a day three hundred and sixty-five days in the year is more economical and more valuable than alternate fasting and feasting. Too little starves and weakens; too much is a burden and does not allow the system to function properly.

In the preceding chapter I indicated that advertising will *start* a business. It will also *maintain* a business. The weakness or strength of mail-order advertising is at once evident in the business itself, for advertising is its foundation.

We see quite a different use of advertising when we consider the manufacturer selling to the exclusive dealer. Here advertising is the factor which amalgamates the work of two distinct and strongly entrenched forms of business. On the one hand is the retail merchant who values his personal reputation

and standing in the community in which he lives; on the other is the manufacturer proud of the quality of the merchandise he makes and appreciating keenly his responsibility to the consumer.

The manufacturer does not care to have the identity of his goods lost in the average jobber's stock; the retailer does not want to put his creative ability back of merchandise which can be supplied to his trade territory by any of his competitors.

*An Arrangement
Between
Manufacturer and
Retailer
for the
Benefit of
Both*

The manufacturer approaches the merchant and explains that he is looking for the same high quality of service in placing goods in the consumer's hands that he himself puts into their design and making. He knows that the retailer can take care of certain elements of a complete service to the consumer better and more economically than he can. He must convince the retailer that he can maintain a high quality and make it possible for him (the retailer) to serve his community with *the best* at the least cost to the consumer.

*The Manufacturers
Must Con-
tribute All
Possible
Selling
Help—the
Retailers
Actively
Push the
Sale*

Coöperation of such sort cannot be effected unless the manufacturer brings to the merchant all the selling helps which are produced in a national way most economically, and unless the retailer puts forth the best effort of which he and his organization are capable and takes advantage of the national selling helps that are given him.

"NATIONAL" Money-Saving Fall Style Book FREE

to
Our Folks

These important
send today for
the "NATIONAL"
Fall Style Book.
It's a book that
don't put it off. It
shows many new
styles and colors
for the coming
fall. Write for
it today.

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"NATIONAL" Tailored Suits

Made to \$109 to \$35

Sample of Materials

"NATIONAL" Tailored Suits are shown in a complete full length

catalogue for \$1.00. It is a book that will show you the

latest styles in men's suits. It is a book that will show you the

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National Cloak & Suit Co.
298 W. 24th St., New York City

MAIL THIS COUPON NOW!

NATIONAL CLOAK & SUIT CO., 298 W. 24th St., New York City

Please send me, free, my copy of the "NATIONAL" Fall Style Book.

Name _____

Address _____

City _____

State _____

Zip _____

At the same time we will send you samples of beautiful new Fall Materials

for Tailor-Made Suits if you state how close you prefer.

Colors _____

EVERY Economy Gasoline Engine is required to pull more than its rated horse power before it leaves our factory. Every part of the Economy fits perfectly, which means less friction, less wear and greater economy of fuel. Duplicate parts are absolutely interchangeable.

The Economy is the simplest engine on the market. It has fewer parts, is easier to operate and is guaranteed to give as good service for as many years as any other make, regardless of price.

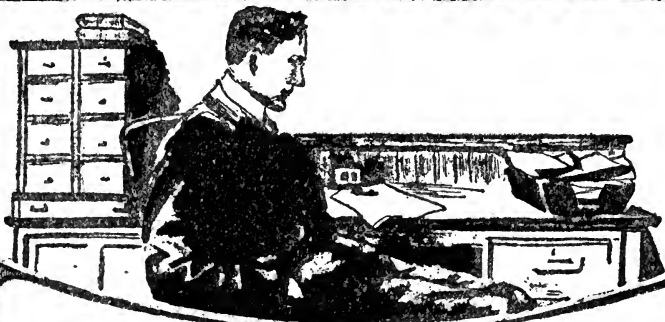
If you need a gasoline engine, you will purchase an Economy if you investigate thoroughly, because you cannot find its equal at anywhere near the price we ask.



Our low prices are the result of modern methods of manufacturing, direct from the factory to the consumer. Our guarantee: "Your money back at any time if you are not perfectly satisfied, and our reputation for fair and square dealing make you sure of the quality of Economy Engines. The following prices enable you to buy a large and a small Economy engine for less than the price of one ordinary engine."

1 1/2 H.P. \$39.95, 2 H.P. \$49.95, 3 H.P. \$59.95, 4 H.P. \$69.95, 5 H.P. \$79.95, 6 H.P. \$89.95, 8 H.P. \$109.95, 10 H.P. \$129.95, 12 H.P. \$149.95, 14 H.P. \$169.95, 16 H.P. \$189.95, 18 H.P. \$209.95, 20 H.P. \$229.95, 22 H.P. \$249.95, 24 H.P. \$269.95, 26 H.P. \$289.95, 28 H.P. \$309.95, 30 H.P. \$329.95, 32 H.P. \$349.95, 34 H.P. \$369.95, 36 H.P. \$389.95, 38 H.P. \$409.95, 40 H.P. \$429.95, 42 H.P. \$449.95, 44 H.P. \$469.95, 46 H.P. \$489.95, 48 H.P. \$509.95, 50 H.P. \$529.95, 52 H.P. \$549.95, 54 H.P. \$569.95, 56 H.P. \$589.95, 58 H.P. \$609.95, 60 H.P. \$629.95, 62 H.P. \$649.95, 64 H.P. \$669.95, 66 H.P. \$689.95, 68 H.P. \$709.95, 70 H.P. \$729.95, 72 H.P. \$749.95, 74 H.P. \$769.95, 76 H.P. \$789.95, 78 H.P. \$809.95, 80 H.P. \$829.95, 82 H.P. \$849.95, 84 H.P. \$869.95, 86 H.P. \$889.95, 88 H.P. \$909.95, 90 H.P. \$929.95, 92 H.P. \$949.95, 94 H.P. \$969.95, 96 H.P. \$989.95, 98 H.P. \$1009.95, 100 H.P. \$1029.95, 102 H.P. \$1049.95, 104 H.P. \$1069.95, 106 H.P. 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Are You Loafing On Yourself?



PERHAPS you are "loafing on yourself" without realizing it. The man who "dreams" about a higher position is a "self-loafer."

It is an absolute fact that the most difficult problem of the greatest employers in the world is to secure men for *big* positions.

Marshall Field, one of the greatest merchants in the world, publicly claimed that his greatest difficulty was to secure trained men capable of filling positions paying \$25,000 a year.

**It is all
the matter of training,
not dreaming**

We can give you proved records of thousands of men who have climbed from the dreamer's class to the director's class through the training of the International Correspondence Schools. *We will show you how to do it.*

Whether you live in the flood-wrecked city of Nome, Alaska—in a sun-baked adobe cabin of Arizona—or in the great commercial centers, the I. C. S. will show you how to improve your position and *increase your salary.*

All we ask you to do is to sign and mail the I. C. S. coupon as directed. This places you under no obligation. It simply brings to you **FREE** information how to secure the training that has made the success of thousands of men who thought they were "down and out."

Mark and mail the coupon today

INTERNATIONAL CORRESPONDENCE SCHOOLS

Box 841 SCRANTON, PA.

Explain, without any obligation on my part, how I can qualify for the position before which I mark X

Salesmanship
Electrical Engineer
Elec. Lighting Supt.
Electric Car Running
Electric Wireman
Telephone Expert
Architect
Building Contractor
Architectural Draftsman
Structural Engineer
Concrete Construction
Mechan. Engineer
Mechanical Draftsman
Refrigeration Engineer
Civil Engineer
Surveyor
Mine Superintendent
Social Mining
Locomotive Fireman & Eng.
Stationary Engineer
Textile Manufacturing
Gas Engines

Civil Service
Railway Mail Clerk
Book Keeping
Stenography & Typewriting
Window Trimming
Show Card Writing
Lettering & Sign Making
Advertising
Commercial Illustrating
Industrial Designing
Commercial Law
Automobile Repairing
Teaching
English Branches
Good English for Every One
Agriculture
Poultry Farming
Pressing & Steam Fitting
Sheet Metal Worker
Navigation
Languages
Checklist
Spanish
French
German

Name

Present Employer

Street and No.

City State

The manufacturer can afford space in national mediums which, in so far as they circulate in the retailer's territory, are most valuable local advertising for him. The manufacturer's national advertising doubles the value of the dealer's local publicity if the dealer mentions in his local advertising the nationally advertised lines he carries exclusively.

The manufacturer can afford to employ expert illustrators and the best copy writers, and supply the dealer with a complete retail advertising service, plates, or matrices ready for use in local newspapers, at a cost which would be prohibitive to the dealer. Booklets, window displays, and sales ideas are furnished him at the minimum expense.

Unfortunately the exclusive dealer plan has been abused. Therefore many retailers hesitate to back an exclusive line with their own prestige and hard work. They are often right in this stand, for some manufacturers have used national advertising as a bluff, pure and simple, to load dealers with their goods, and then have failed to give them the right kind of advertising help. This condition is particularly to be regretted, because it takes so little money to cover the United States in national mediums and so much can be done if the manufacturer acts in good faith and advertises to arouse the interest of the consumer.

There are a number of national appropriations of less than \$100,000 a year each which include

*Manufacturers that
Fail to Give
Proper
Selling
Assistance
to Retailers*

244 ADVERTISING—SELLING THE CONSUMER

the use of national mediums and collateral advertising helps for the dealer.

Local Advertising by Dealers to Connect Up with National Advertising *One hundred thousand dollars is only one dollar per thousand population, but it makes a wonderful showing in carefully selected publications of general circulation. Dealers whose trade territory comprises 25,000 people find it profitable to spend from \$25 to \$50 annually with local newspapers, to tie up with national advertising, and it is the most influential kind of local advertising they do in their trade territory.*

If the national advertiser furnishes definite sales suggestions, the dealer will buy the necessary additional local advertising to work them out. Most dealers are committed to a certain amount of local newspaper space in any case, and since the exclusive sale of a high-class product is a trade-builder, and is profitable, it can be said truthfully that local advertising which coöperates with national advertising more than doubles its own value.

Drawing Inquiries Through National Advertising to Refer to Local Dealers It is possible (it is being done every day) for national manufacturers to word advertisements in mediums of general circulation so that they will bring direct mail replies. These letters are the dealer's best weapon of defense against mail-order competition. They also locate people who may be trading with his competitors, and give him an excuse for paying them particular attention, in order to get

them into his store and demonstrate the superiority of his service.

Luckily there are scattered throughout the United States dealers who are as good judges of national advertising campaigns as they are of merchandise. And the manufacturer who makes a superior product and supplements it with a national advertising campaign which reflects the sincerity and honesty that goes into his merchandise will get the coöperation of intelligent dealers the minute his salesmen show them his national and local advertising plans.

Selling goods to one dealer in a community appeals particularly to the manufacturer of high-grade mer-

*Selling to
One Dealer
Appeals
Particularly
to Manu-
facturers of
High-grade
Mer-
chandise*

chandise. There are 559,000 families in the United States having incomes of \$6,000 a year or more. Their trade is worth while. The progressive dealer makes a bid for it by having the exclusive sale of high-grade, nationally advertised goods. They give him prestige and hold the trade of the wealthier families whose community pride makes them buy goods at home if the local dealer can give them the best quality.

The exclusive dealer plan has been tried out by manufacturers of automobiles, pianos, fine silverware, paints, furniture, kitchen cabinets, stoves, candies, and shoes. Even in a small town one can pick out, by noting window displays and the contents of the shelves, the dealer who caters to the high-class magazine-reading group of the community.

The better magazines now refuse to carry the advertising of a manufacturer who seeks the coöperation of the local dealers, unless his national campaign is adequate and accurate, safe and conservative.

*How the
Magazines
Are Pro-
tecting the
Dealer by
Censoring
the
Advertising
of the
Manufac-
turer*

This censorship is winning the confidence of better class dealers throughout the country, and gives manufacturers who have not yet taken up national advertising assurance of success when they do.

The only basis for successful exclusive dealer distribution is coöperation between a high-class manufacturer and a high-class retailer, each doing to the best of his ability that which he is best fitted to perform.

Advertising, which is the cementing factor of this relationship, often gets results much greater than the financial outlay would seem to warrant. It appears to develop power as a lever does. It brings out the latent force of both manufacturer and retailer as nothing else can.

Certainly the retailer who has a choice between a fine line of goods made by a firm which does no

*The
Advertising
Manufac-
turer Gets
the Prefer-
ence with
Live Dealers*

general advertising and a line equally good backed by a broad and skillfully executed plan of general advertising will not hesitate.

But the man who makes a superior product and supplements his service to the consumer by national advertising and sales-building coöperation with dealers cannot afford to identify himself with a second-rate dealer, or to allow his line to be

sold by one who will not coöperate with him earnestly, vigorously, and honestly.

It is noteworthy that people who read general magazines and do not find the goods advertised at any local dealer's are inclined to consider it a reflection upon the dealer rather than upon the manufacturer.

*Failure to
Handle
Advertised
Goods a
Reflection
on the
Dealer*

Producers who advertise nationally should remain unrepresented in a community rather than allow an incompetent or unsympathetic local representative to weaken their prestige and lower the standard of service which they have established.

A coöperative arrangement is impossible if either manufacturer or retailer is doing business on a price basis. Unless service to the consumer, which is nothing less than permanent satisfaction, is the goal of both manufacturer and dealer, this form of merchandising must fail.

It is not altogether necessary that the manufacturer use national mediums. For certain territories he may use publications which cover them in a broad general way. For several years a certain manufacturer selling almost exclusively to dealers located within the State of Iowa has used three agricultural papers which cover Iowa. Daily papers published at wholesale markets are as competent as national magazines to reach influential consumers and get the coöperation of local dealers within the territory which they cover.

*Advertising
in Re-
stricted
Territories*

There are manufacturers who do no general advertising, but furnish the dealer with electrotypes, booklets, mailing cards, form letters, posters, hangers, window displays, motion-picture slides, premiums, and novelties. A tailor-to-the-trade establishment

*Advertising
Service
Furnished
Dealers
Includes
a Variety
of Different
Kinds*

which had built up a large business in this way spent about \$100,000 for devices of this kind and put on a campaign in five national magazines, including a double-spread in the *Saturday Evening Post*, without increasing its total annual advertising expenditure. Mailing cards and form letters were largely replaced by national magazine publicity, because it sells both consumer and dealer. The net result was more consumer effect for the same money, and therefore more dealer coöperation.

REFERENCES ON CHAPTER XXIV

The campaigns of national advertisers who distribute through exclusive dealers are the best material for the student. Manufacturers who use this method of distribution and dealers who coöperate with them will undoubtedly furnish information in detail to any persons entitled to it.

Each campaign is individual and distinct, and has solved its various problems in its own way.

To copy the campaign of another would defeat your purpose.

The creators of new ideas and new ways of dressing up the old story make very good money.

CHAPTER XXV

TRADEMARKS

WE WANT to consider, first, what the trademark is worth to the consumer.

I can think of no real reason why the consumer should prefer goods which do not bear a trademark. He sometimes has a notion that they cost less than goods of equal merit which are sold under a trademark. But that wrong notion has been bred by a certain wasteful kind of advertising effort which aimed to develop a bargain-seeking class of buyers.

Merchandise without a trademark lacks backing. People who buy things because they are cheap or because they are so-called bargains are wasting their substance. The purchaser of a bargain assumes all responsibility for the quality of the merchandise. So many of us are willing to do this because we do not realize how little our judgment of value is worth.

Most of us are qualified to judge the value of only the few lines of merchandise with which we have had much experience. The highest-salaried men in large mercantile establishments are the buyers. Not until they have had years of selling experience are they entrusted with the responsibility of selecting from the mass

*What Is
Our
Amateur
Judgment
Worth*

of mixed qualities that which is worthy. Much of the talk about the high cost of living is fathered by the flimsy, useless bargain which pleases for the moment but does not contribute at all to the comfort and satisfaction of the home. But the present-day consumer is beginning to demand utility in merchandise.

Some retailers who will not handle goods bearing the manufacturer's trademark are sincere in this stand. They feel the responsibility of giving to the merchandise they sell the authority of their own endorsement. This seems to me one of the most encouraging features of modern business. It means that with the best retailers and the best manufacturers, both animated by a high sense of responsibility to the consumer, a degree of intimate coöperation will be possible which the merchandising world has not yet known. And the consumer will benefit thereby.

It has not yet occurred to most of us that a trademark adds to the value of merchandise. Persons who have declared that such was not the case have in the next breath admitted that the piano which they own would not be so valuable, even if they knew it to be the very same instrument, were the gold leaf which reproduces the trademark removed from it.

The trademark fixes responsibility. The manufacturer knows he must make good on the standard which he has established for his product, and the consumer actually enjoys more and derives a greater

*Coöperation
Between
Manufac-
turer
and Dealer
a Benefit to
Consumer*

satisfaction from an article the fine points of which he has been educated to appreciate, an article from which he has been taught to extract the largest amount of usefulness.

Trademarked goods, intelligently advertised, yield the manufacturer a larger return for his labor, and cost the consumer less money.

*Greater
Profit to
Producer,
Lower
Cost to
Consumer*

The maker of a competitive line of merchandise must base his selling price on the cost of manufacture and distribution.

This price is unstable. Its fluctuations depend upon the aggressiveness or lack of intelligence of his competitors. Under such circumstances, he cannot institute or maintain the economies which are possible when he can count on a stable price, no matter what his competitors may or may not do.

Given a profit of 25 per cent. on the selling price, grocers are glad to push goods sold under a well-advertised trademark. On unadvertised lines they demand from $33\frac{1}{3}$ to 100 per cent. The difference represents the manufacturer's cost of advertising. Yet the article costs the consumer no more.

Advertising, *properly done*, serves consumer, dealer, and manufacturer. It saves the consumer's time and adds to his satisfaction; it multiplies the dealer's "turnover" and increases his profits, and gives the manufacturer a stable market with all the economies incident thereto which I have covered in Chapter II.

The advantages to the manufacturer of putting a trademark on his goods are so obvious that I can

think of no reason for his failing to do so except that he wishes to escape responsibility for them. By putting them out under a trade name he recognizes the principle that his individuality is the basis upon which he must build the largest possible influence with his fellowmen.

Advertising a trademark and marketing goods under it give them stability. Stability means economy.

*The
Trademark
Means
Stability* It is not a physical or material quality, but a state of mind which is the result of satisfaction.

I have said that a trademark on merchandise invests it with added value in the purchaser's mind, because we associate trademarks with the creation and maintenance of quality standards.

But the worth of the trademark to the manufacturer lies in the fact that it serves as an anchor for all creative sales work which he has done in behalf of that product. A trademark is the tangible thing that enables the manufacturer to tie to each piece of merchandise that he makes or handles the prestige and confidence which his ability and integrity have won for him in the buyer's mind.

Mr. Edward S. Rogers, a prominent trademark lawyer of Chicago, states that the right to a trademark does not depend upon invention, discovery, or registration, but upon priority of adoption and use upon goods, and upon *continuous occupation of the market* with goods bearing this mark.

*Do Not
Hide Your
Trademark
Under a
Bushel*

This statement is interesting in that it implies an *obligation on the part of the owner of a trademark to be aggressive in salesmanship, to dominate the market.*

He dare not assume that, his trademark once established, he can rest on his oars.

If he pushes his product constantly, he may be able, later on, to reduce the price to the consumer. He should do so if the resultant increase in volume would maintain the same net returns, even if it did not actually increase his profits.

Henry Ford is a notable instance of a manufacturer serving his own best interests by giving to the consumer the benefit of all price reductions that dominance in his market enables him to make.

The manufacturer who does not advertise cannot take business from the one who does.

*Backing
Up the
Trademark
with
Advertising* He may get some business, temporarily, by price-cutting to distributors who will, for a larger margin, attempt to deliver to him business that has been created by the producer who advertises. But manufacturers and dealers who do this can never succeed *unless the manufacturer who advertises is making his advertising support a higher price than the consumer ought to pay.* Temporarily an advertising manufacturer may lose business through price-cutting of dealers as I have explained in Chapter XVIII. Fortunately proof is abundant that the merchant or manufacturer who possesses a franchise in the form of the good-will

of the general public is stronger than any of the powers of pillage or thievery.

Dealers and consumers have been educated to believe that a lower price is a confession of inferiority, and that the cost of the trademark (apparently paid by the consumer) is so little that its elimination by the non-advertising manufacturer gives him no practical advantage in the market. The consumer is not benefited by the extra sales cost or the inferior quality of unadvertised lines.

If, however, a man takes up a line of business which has been established by a manufacturer using a trademark, and competes with him intelligently, by advertising and straightforward sales work, the competition is a distinct benefit to the original manufacturer, the dealer, and the consumer.

*The
Stronger the
Competition
the Greater
the Benefit
to the
Trade-
marked
Product*

The manufacturer who lets his competitors make his prices loses his sense of responsibility to his customers, and puts a premium on mediocrity, slovenliness, and carelessness.

Legally the trademark must indicate with certainty the commercial origin of the article to which it is affixed. The device or symbol has no value apart from the business itself. The courts have ruled that a trademark cannot be separated, for a price, from the business of which it is the visible sign.

*The Legal
Aspect*

It is not necessary to register a trademark, but it is always advisable.

In many foreign countries registration of the trade name gives the right of ownership to the one making the first registry. In the United States it is merely presumptive evidence. Title to the business and the right to use the trademark depend entirely upon priority of use.

The law of unfair competition has been the most valuable protection that users of trade names have had. It says that no one has the right to represent his goods to be the goods of another.

The best trademark is an arbitrary or coined word which has no descriptive quality in connection with the goods to be sold under it. It should be of such character that it can mean one thing and nothing else, both legally and practically. It is quite easy to invent a word which is easily pronounced, but does not appear in the dictionary, with a meaning which belongs altogether to the goods on which it is placed. It is wiser not to advertise anything like "Michigan" celery, or "Minnesota" flour, as these are generic, descriptive terms and could be adopted by any one who wants to enter the same field.

Before deciding upon a trademark it is best to get expert legal assistance. There are many names in which no exclusive right can be secured because they are descriptive, or are otherwise legally objectionable, or cannot be protected because they have been pre-empted.

Several large advertising campaigns have been held up, after they were launched, because it was dis-

covered that some obscure manufacturer doing a small local business had prior right to the use of the name which had been selected for a trademark.

One of the most valuable elements of the service of a national advertising organization is its ability to devise effective trademarks. Years of experience with trademarks have taught them where the shoals are which threaten the manufacturer who contemplates adopting a trade name and marketing his wares under it.

REFERENCES ON CHAPTER XXV

"Good Will, Trade Marks, and Unfair Trading," by Edward S. Rogers (A. W. Shaw Company, 1914, Chicago), is a most interesting and exhaustive presentation of the whole subject.

"Trademarks and Their Advertising," 1913, by Charles G. Phillips, president of the *Dry Goods Economist*, 231 West Thirty-ninth Street, New York City, is a two-thousand word monograph crystallizing the experience and convictions of one of our foremost trade-paper publishers. Mr. Phillips will send a copy to any reader of this book who requests it.

For additional reading on trademarks, I refer the student to the following treatises:

"Sebastian on Trade Marks," "Paul on Trade Marks," "Hopkins on Trade Marks," and "Nins' Unfair Business Competition."

CHAPTER XXVI

PRESTIGE-BUILDING ADVERTISING

EXPERT salesmen agree that their work must be authoritative, i. e., it must lead the buyer to accept *their* judgment as to what he had better buy, instead of following his own bent. A capable salesman knows more about the goods he sells than any buyer can possibly know. Of course he must also be able to produce in the buyer that mental attitude which will afford him the greatest possible utility and satisfaction in his purchase.

*The
Salesman's
Part in
Establish-
ing Prestige*

I have said before that the salesman who wishes to establish his position as an authority on his particular line must not let his aim be too apparent, lest the buyer resent it. His prestige must be an outgrowth of the buyer's satisfaction with the goods which he is accustomed to purchase on his recommendation. The most satisfactory customers are those who *think they buy*, not those who know they have been sold.

Prestige is that quality which causes others to accept one's statements without question. It is the crystallization of earnest, faithful work on the part of the producer of the goods, in realizing the best quality

for a given purpose and then impressing upon the mind of the purchaser all the possibilities of usefulness which the merchandise will possess for him when it passes into his hands.

*Prestige
—the
Impression
of Quality
Without
Question*

Advertising builds prestige for the manufacturer and good-will for all his products.

Prestige is not inherent in an article, but is what people *believe about it*, what *people say about it*, and *to whom* they say it.

The prestige of the political leader is gained by confidently affirming and by continually emphasizing to the group which looks to him as its leader that he possesses certain qualities. He may have them in common with many other persons, but the group does not realize that, because he is advertised, and the others are not.

*Constant
Reiteration
Gains
Prestige*

Politicians know very well that what is said about them and the manner of saying it measurably affect the amount of influence they have with their camp followers. Both praise and condemnation may add to prestige; but no man can be laughed at and hold a loyal following.

We are respected as much for the enemies we make as for our friends. No one who needs the support of the public dare neglect the manner in which the story of his achievements, his movements, his opinions, and his ideas on certain subjects is to be told to those whose approbation he would win.

*Prestige
Depends as
Much on
the Manner
as on the
Matter of
Your Story*

In many instances public service corporations

that are giving real service are unpopular because their officials have overlooked the fact that prestige can be gained by telling a story scientifically, i. e., an interesting and informative story which will, at the same time, create that apparently intangible but none the less real factor which is called "favorable public opinion."

So often we have misunderstood the motives of public men who were discharging their duties faithfully.

*The
Price of
Silence*

We have regarded their refusal to talk about their work as proof that they were dishonest. Such a situation has usually been due to their misconception of what is true publicity.

Many who were severely criticised while they lived have a high place in history, because the publicity given them by the historian has accomplished *after* death what a well-trained advertising man could have done when it would have been worth while.

Those who knew intimately and came into personal contact with Mr. Taft while he was President

*A Pointed
Instance*

of the United States were sure of his sincerity and his keen appreciation of his responsibilities.

Mr. Taft is not our President now because he did not understand that it is not so much what one does as it is *what is said about what one does* that adds to or takes from prestige.

Some day some writer of history will find, perhaps in Mr. Taft's personal correspondence, or in the private papers of men who were close to him, proof

that he possessed qualities that would have gained abundant prestige for him during his term of office had we all been told about them in a simple, straightforward, understandable way. Such a prestige might have been produced, I believe, that Mr. Roosevelt would not have risked opposing him.

By neglecting to control the manner in which the story of his work was told, Mr. Taft deprived himself of the prestige to which his work judged alone gave him clear title.

Much of the present-day prestige of the distinguished men of the past they owe to the men who recounted the tale of their deeds. Many of the master artists of all time have lived and died poverty-stricken, because no contemporaneous historian interpreted their work so that their fellowmen could understand and appreciate it. Nor would most of us value these masterpieces to-day did not art dealers and collectors, by one means or another, constantly keep up our interest in them and direct our attention to points of excellence which must otherwise have escaped us altogether.

The man who is to profit by whatever prestige may legitimately attach to his achievements needs some one to tell his story for him. Unless indeed he chance to be one of those few fortunate men who are able both to do and to get the rest of us to appreciate what they do. It might be remarked in passing that

*Old
Masters
Made New
by the
Master
Hand of
Publicity*

*The
Prestige-
building
Story and
the Telling
of It*

the man or woman who knows how to teach the many to value his or her talent often gets a larger share of honor and glory than the public thinks is due. It is just at this point that most of us fail to reason accurately.

Doctor Cook had ample publicity, but it won no prestige for him, because he gave us something which fell far short of what his publicity had led us to expect of him. Each year new names and faces appear above the horizon which separates the "unheard of" from those who have "arrived"—and disappear; because they could not "make good" on their publicity, or sustain the prestige which it would have created for them. There can be no permanent prestige unless the story fits the facts.

Many will contend that there are more far-seeing statesmen than Theodore Roosevelt, that there are actresses whose work is truer than Sarah Bernhardt's has been, that Mary Garden cannot sing; but the fact is that large groups of people *believe* in each of them, and evidence that belief by continuing to give them their support. That is proof absolute that they "make good" on their publicity.

It is only when the publicity has overstated or has been more liberally interpreted than it should have been that a sense of disappointment has resulted in connection with any one of those geniuses who possess so bountifully the knack of telling the story

of what they do in just the way which insures them maximum public appreciation.

The reflex of using a trademark is to create a sense of responsibility which forces the manufacturer to maintain a high quality standard. The same thing is true of publicity. The manufacturer who advertises that his goods represent a certain well-defined standard has practically discounted his note of hand with the public. He *has* to make good.

Sometimes a manufacturer takes up general advertising because he thinks he will make more money that way, and for that reason only. As soon as he realizes that the advertising has committed him to maintaining a certain standard with the public, he bestirs himself to improve his inside organization. Better merchandise is the result. The consumer gets the benefit.

Other manufacturers have decided, after investigating the power of general publicity, to improve the quality of their merchandise before undertaking a general campaign.

I know a man who considered the pros and cons a long while before he made up his mind to advertise. He knew that if he started it he would have to keep up the quality, no matter what the raw materials cost. And he was afraid he might not be able to increase the price to cover such a rise. That man is a national advertiser now. He found out that the

*The
Penalty—
"Make
Good"*

*Advertising
Makes the
Goods Live
Up to the
Prestige
Gained*

confidence of the public (which advertising gets for him) is the best means of adjusting prices to the market conditions of raw materials.

Some years ago another manufacturer had to face a decided rise in the price of his raw material. His salesmen gave him to understand they could not sell goods at the price necessary to cover this advance if the quality was not to be changed. He was tempted to use an inferior raw material, or to cancel his advertising for the year.

*Where a
Rise in
Price Built
Prestige*

Instead, he went to the consumer and the dealer and explained that in order to keep up his quality he was obliged to increase the price. By inference he created the impression that competitors who did not do likewise must be using a poorer quality of raw material. This publicity strengthened the bonds of confidence between his brand and dealers and consumers; he increased his advertising appropriation, and the net result was the best year he ever had.

In planning a campaign the advertiser should remember that it can build for him, if he co-operates with it, a prestige which will give him the balance of power when buyers hesitate.

*Advertising
Brings the
Deciding
Vote*

Certainly an advertiser who shows by his manner of conducting his business that he values the quality of its prestige more readily gets the cooperation of publishers who believe that admission to their columns bestows upon the advertiser

the prestige which the publication has with its readers.

An advertiser who wins *first* the confidence and support of the leaders of the group to which he wishes to sell is wise. He is realizing on *their* prestige, which, it will readily be admitted, is a force quite separate from the inherent value of the merchandise he offers or the salesmanship he uses in presenting it.

*Building
Prestige on
Prestige*

Advertising mediums confer prestige upon the advertiser who uses them in exact proportion to the reader's confidence in its advertising pages.

The advertising of one firm has more prestige than that of another for exactly the same reason.

Prestige rests upon confidence, and confidence is won by plausible publicity, the foundation of which is the sincere desire to always give satisfaction. The creation of prestige should be the aim of every advertiser. It means conservation of power and elimination of waste.

There is a certain kind of salesmanship which finds a market among those who positively enjoy possessing things which their less fortunate neighbors have not the means to buy. Dealers in antiques, small exclusive shops that are supposed to be patronized only by the socially elect, freak restaurants and summer and winter resorts often get business by an appeal to snobbishness.

*Prestige Is
Substantial
—Not Built
upon
Snobbish-
ness*

This might be mistaken for prestige-building. It

is not. Fashions, fads, and fancies come and go constantly. The man who elects to make a living by catering to them leads a precarious existence.

Of course there are many people who need not consider the cost of gratifying a desire. They are willing

The Price of Confidence to pay for the pleasure of dealing with persons of refinement and culture. They are willing to pay for *knowing* they are not going to be thrown in contact with objectionable persons. They are willing to pay for their confidence in the merchandise they buy, although they may not be conscious that they are paying so much for merchandise and so much for confidence.

The practice of institutions which have been established by the use of prestige-building salesmanship and advertising is to reduce their prices to a point where no customer need pay more than he would elsewhere for the same service. Then the prestige of the business, which undoubtedly is an element of the purchaser's satisfaction, is service plus.

No business is safe which charges more, simply because its customers will pay more. Prestige is business life insurance.

A House of Cards The patrons of certain dealers in musical instruments, jewelry, and art objects, and of certain tailoring and dressmaking establishments, insist they get full value for every dollar they spend, quite apart from the question of the prestige of the house from which they are buying. Competitors

have their groups of customers who are equally sure that they get full value *in the merchandise* of stores which sell lower-priced lines.

When does a customer pay for prestige and when does he get it as an additional satisfaction? It is the old story, "How can you tell the difference between a mushroom and a toadstool?"

When the consumer believes a lower price commands equal quality and satisfaction, prestige no longer exists and the manufacturer or retailer who counts on it is in a dangerous position.

A waiting-list would seem to be the only positive insurance which a business that depends altogether upon prestige alone may have.

*As Omar
Says:
"A Hair
Perhaps
Divides
the False
and True"*

The dividing line between the house which charges for prestige and the house which gives full value in service cannot be determined by consulting the customers of either or both houses, for there will be radical differences of opinion.

When a lawyer has more possible clients than he can take care of, when a physician's reception-room is crowded with people waiting their turn, when motor cars have to be ordered several months in advance, it may be assumed that the high price is justified by the service.

But that business is doomed whose customers, having ample means to pay the highest prices, go elsewhere believing they are getting the same value for less money. And the management usually wakes up

too late to reestablish the business on a sound service basis.

REFERENCES ON CHAPTER XXVI

Lord Rosebery's "Napoleon, the Last Phase," 1900 (Harper & Brothers, New York), detailing Napoleon's life after he reached St. Helena.

"The Greatness and Decline of Rome," 1907-1909 (W. Heinemann, London), by Guglielmo Ferrero.

William Hickling Prescott's "The Conquest of Mexico," 1900 (E. P. Dutton & Company, New York).

These books are as fascinating as modern fiction: they tell of men who believed in and attempted to create prestige for themselves.

They trace clearly the effect of ideas dominating the group consciousness in the history of nations.

They show how real leaders of men have always striven to sway the minds and especially the emotions of the people whose confidence gave them their power.

They show how prestige passes and with it the power of leadership though all its inherent qualities may remain in the man who formerly was a popular idol.

They show clearly the difficulty of the historian in separating fiction and fact, because leaders of people have always been more concerned as to how the story of what they were doing was told the people than in the story itself.

CHAPTER XXVII

CAN THE COMMERCIAL VALUE OF GOOD-WILL BE ACCURATELY APPRAISED?

WALTER M. ANTHONY, Comptroller of the Maxwell Company, once remarked to me, "Anything for which cash has been should be immediately converted into cash or given at least the same care and attention as cash.

This thought will yield wonderfully profitable results if applied to printed matter, office and manufacturing equipment, or anything else which appears on an inventory.

Whether printed matter should be sold as waste paper or whether the second-hand man should have antiquated pieces of office furniture or the junk dealer should own obsolete machinery requires constant appraisal. Money in the bank and cash in the drawer receive such attention.

*Constant
Appraisal
Necessary
to Value
Good-will
Properly*

Manufacturers and retailers rightfully class "good-will" as an asset. My readers will agree with me that unless "good-will" is conserved it will disappear.

There are forces in every business which build

“good-will.” Dependable methods of appraising it should be devised.

There should be frequent inventories to determine the enhancement or the depreciation of “good-will.”

My first conception of what is termed “good-will,” as attached to a business, came to me in considering the story of two young men who were partners in a lumber yard in a Western city.

They were successful. In the course of a few years they made enough money to build and pay for a modern, completely equipped factory where they made sash, doors, and other mill work.

*The New
Factory
Did Not
Possess
the Good-
will of
the Old
Lumber
Yard*

Not long after the new factory was finished differences arose and the partnership was dissolved. In dividing the property one took as his share the up-to-date factory—and thought that he had outwitted his former partner, who was content to take as his portion the old lumber yard, which was equipped with only a few old sheds and a little frame office. A few dollars would replace them.

Time proved that the man who kept the lumber yard was also in possession of their market. Farmers who had been buying lumber there, now and then, kept coming back occasionally with their wagons, made purchases, and took them away. Intervals of seven years elapsed between purchases.

*Customers
Do Not
Care Where
Things Are
Made*

These customers knew nothing about the new factory—they really did not know nor care where the doors, window sash, porch columns, fencing, and railings were made.

The man who kept the factory had to find a new market. Even his former partner found it did not pay to look to him for a supply of mill work, as the very same things could often be bought in Oshkosh and delivered in Kansas City for less money.

By this story I wish to make it plain that good-will is primarily the result of giving customers satisfactory service, and that advertising cannot be a factor in creating good-will unless the service given customers measures up to the expectation which the advertising has created.

So far as I know these two young men had done no advertising worthy of the name, but they had given their customers real service, and as a tangible result of doing that, the market was attached to the place where the service had been rendered.

*Good-will
Is Attached
to That
Which
Identifies
the Service*

Had they advertised they would have developed a larger good-will value. There can be no doubt that long before the first sale is consummated, advertising develops in the mind of the prospective purchaser a preference which is in every respect equivalent to the good-will which is the result of satisfaction in a purchase.

The advertising of automobiles makes people

want to own one. It is astonishing how often a definite preference for a particular automobile exists in the mind of a man who has never owned any kind of a car.

Conceding this you will agree with me I am sure that all advertising should be planned with two clearly defined purposes in mind:

Two
Clearly
Defined
Objects
for All
Advertisers

1. To influence the largest possible number of immediate sales, always remembering that the sale takes place in the buyer's mind, and that very often merchandise is practically sold many months before the buyer comes to the dealer, ready to pay for and take away the merchandise.

2. To create in possible purchasers' minds and in the minds of those whose opinion might affect the mental attitude of a possible purchaser the most favorable impression of the intrinsic merit of the article being advertised. Many rich people buy things which they believe people of culture and refinement *would buy* if they had the means to gratify all their wishes.

Therefore it is often advisable, in advertising luxuries which can be afforded only by the few, also to impress favorably those who would buy them if they could, because *their esteem* of the merchandise is an important factor in the satisfaction which the possessor of the luxury takes in it.

In Chapter VI, I said that by having a merchandising audit made of the state of mind of possible

consumers and those distributors who influence the consumers' opinions, a manufacturer can de-

*A Mer-
chandising
Audit Will
Reveal
Marketing
Possibili-
ties*

termine in advance his marketing possibilities.

In exactly the same way the manufacturer can from time to time accurately appraise the value of the good-will which attaches to his merchandise.

Neither the salesman nor the writer and illustrator is the best type of mind to undertake the task of appraisal. The salesman is too apt to look

*The
Engineer
or Account-
ant Prefer-
able to
Salesman
or Copy
Writer for
Making
Merchandis-
ing Audits*

for facts which will fit in with his own preconceived notion of what the facts are; the writer and the artist are too prone to give to the facts a new turn which alters their commercial significance.

It is the man who has been trained as an accountant or as an engineer who can most accurately determine the present value of good-will.

Granting that good-will is the result of advertising, there must be a method of determining just what

*How a
Merchan-
dising Audit
Should Be
Made*

portion of the good-will which attaches to every successful business has been produced by its advertising. I recommend the following procedure:

1. Base your calculations upon the amount spent for advertising within the last three years.

2. Measure the space which has been given to the promotion of each selling point or service idea.

3. If 5 per cent. of the total amount of space bought has been devoted to one point, and one-tenth of one per cent. to another, the first point should be fifty times as well grounded in the minds of consumers and those who influence them, if the advertising has been as effective as it must be before it can create the maximum good-will.

We often find, in canvassing groups of consumers and distributors, that the point on which only one-tenth of one per. cent of an advertising appropriation has been spent has been the determining factor in a large percentage of the sales.

Sometimes, too, we find that neither the consumer nor the distributor ever mentions a point on which as much as 5 per cent. of the appropriation has been spent.

In the first case, our one-tenth of one per cent. is still a tangible asset, an investment in every sense of the word, because of its good-will value; in the second case we are safe in assuming that this money has produced no sales and created no good-will.

The groups of distributors and consumers which are canvassed must be large enough to be representative of the entire group but small enough to permit of most thorough appraisal.

*Representative
Groups
of People
Must Be
Canvassed*

Insurance actuaries constantly prove that what will happen to a thousand men of the same age and in normal physical condition will happen to the entire group of all such men, and in the same degree.

An appraisal of good-will can be made safely on the

same basis. When the effects of magazine advertising are studied, it is astonishing how similar are the results in the minds of consumers and dealers in California, Texas, and New England.

There are other factors which must be considered in appraising the results of advertising. It is very good

*Chart
Your
Competi-
tors'
Advertising
But Don't
Advertise
Them*

business to ignore your competitor in your own advertising, but it is very unwise to fail to take into account the effect of his advertising in making your own plans.

When you are auditing your own advertising, that of your competitors should also be charted, as well as its effect on the minds of consumers and distributors.

In making an appraisal we are often very greatly surprised to find that what had seemed only a minor point has had a far-reaching influence.

The average human mind seems distinctly averse to making its own decisions. When competitive

*The
Wonderful
Effect of
Minor
Points in
Advertis-
ing*

advertisers all make the same claims, thereby convincing the consumer of the equality of the value of the competing merchandise, a comparatively minor point often swings the decision, *because* it is the *only* apparent difference between them.

I should like to see bankers, comptrollers, auditors, and, in general, all men who deal constantly with statistics so interested in advertising that they would apply to the furtherance of its development their experience and technical skill.

Several organizations could specialize, profitably, in the preparation of merchandise audits. I am sure that bankers, who are frequently asked to loan money on good-will, would welcome an opportunity to review an appraisal which had been made in the manner suggested here.

It may be objected that in the foregoing I am only emphasizing the value of accurate accounting methods in everyday business. That is precisely what I wish to do.

No element of successful advertising is more important than a system of accounting which records all transactions accurately, so that the totals show unmistakably the trend of the business.

Advertising is creative and constructive, and largely a matter of spontaneous expression—the best reason in the world for determining exactly the strength and competency of it as a productive force, and the positive value of each separate factor of it.

Accounting is not a matter of books, cards, blanks, and specific forms. It is keeping track of the details

of advertising all the time, so that they

*Accounting
That
Provides
a Ready
Basis for
Advertising
Deductions*

may be considered in the aggregate frequently and intelligent deduction made.

There is a good deal of red tape about modern accounting. Some of it is value-

less, but much can be accomplished if a

proper system is used. The cumulative figures will be full of meaning.

I have often said that my most valuable business

experience was that gained by the installation of an accounting system in our business some years ago, coupled with the process of emancipating ourselves from the system by putting into practice the principles which supported it. We all got a thorough grounding in the essentials of accounting.

Frequently I have been appalled at the inadequate knowledge upon which a prospective advertiser was basing his conclusions. So often overhead expense is not properly distributed in figuring costs. In the one case a particularly profitable transaction may be made to bear far more than its share of general expense; in another case a positively unprofitable item, which appears to be making money, is continued—because it has been charged with its rightful portion of overhead.

*Proper
Distribution of
Overhead
Expense*

It is my conviction that each department of a retail establishment should be charged directly with every line of publicity for which it has been responsible and from which it is to profit, and that “general publicity” or “cumulative results” should be “velvet” or a plus commodity.

Advertising that has for its purpose general publicity is usually purposeless publicity. Even if it does accomplish what it is expected to do, it is only half as valuable as it should be; for the same results would have been had, *at no cost whatever*, had this publicity been charged to and paid for by the proper department.

A simple, accurate system of accounting, to check up results, is necessary to "make advertising pay."

*Checking
Up Results
Should Be
Made Easy*

If a salesman is able to reduce his percentage of unproductive calls by talking the advertising of his house in addition to the worth of the goods, or if he is able to increase the amount of his average sale, his reports should show it. All salesmen's reports should be tabulated, so that the sales manager can plan intelligently for the future. Such a method does not mean harder work for the salesman, mentally or physically; but he accomplishes more, is worth more. He is entitled to know of his increased value and to receive a fair share of the profits of his coöperative work.

Every accounting system should be able to give the executive head of the business all he wants to know, whenever he wants to know it, and in such condensed form that a comparison or an analysis will be simple.

*The
Executive
Should Be
Able to
Know
Anything
He Wants
to Know at
a Moment's
Notice*

Nothing impresses a banker more than an exact system of accounting. To most bankers advertising is more or less of a mystery. The manufacturer must establish in his banker's mind something besides the fact that he is advertising; he must convince him that he knows how to use advertising so that it will get results.

When you call on your banker for a loan, there is just one kind of advertising that he will look favor-

ably upon—the kind that has been so accurately recorded by a comprehensive accounting system that you can prove to him that it has accomplished what it set out to do.

Successful advertising is the active employment of many factors properly balanced with relation to each other, inter-related, one to another, so that their movements coördinate without waste or friction in carrying out plans capable of varying to meet an emergency situation but bearing directly toward a fixed goal. If I have made this point clear, the importance of careful, comprehensive accounting, up to the minute at all times, is obvious.

Advertising is many sided—it builds and conserves business, it reduces expense, it strengthens credit, it eliminates waste, it puts a business on a rock foundation as immune as is possible from competition. Facts and figures with reference to it cannot be too carefully gathered and recorded.

There are no hard and fast rules for determining how much should be spent for advertising, or how much for salesmanship.

I can only repeat that price is never a measure of value. It only measures the pocketbook's relation to the intensity of desires which have been created by personal salesmanship and advertising. Practically every one has more wants than he can supply with his "free dollars." Lowering the price broadens the market; raising it, contracts the market. Many people who have unlimited means gladly pay for

exclusiveness and distinction. Price never can determine or measure intrinsic value.

A five-dollar safety razor leads the market against a competitor which sells as low as twenty-five cents. How is it done?

The manufacturer put his price high enough, at the start, to provide him with a margin of safety. Then he has had to determine, by accounting such as I have outlined in this chapter, whether the market shall be widened and competition discouraged by reducing the price and making on volume, or if he shall keep up the price and give his goods the added value of exclusiveness.

REFERENCES ON CHAPTER XXVII

There is a lack of good elementary works on the subject of accounting. There are plenty of texts used in the high schools and in the business colleges. "Modern Illustrative Bookkeeping," published by the American Book Co., is among the best of these.

Twenty-five years ago I read "Goodwin's Improved Bookkeeping and Business Manual," published by J. H. Goodwin, 1215 Broadway, New York City. It seemed to me then to expound the fundamental principles of accounting better than anything I have been able to get hold of. Recently I asked George F. Watt, president of the Elliot-Fisher Company, Harrisburg, Pa., maker of the Bookkeeping Machine, about this book, which has been rewritten and brought up to date. Mr. Watt told me that

when he was vice-president of the Baker-Vawter Company he inaugurated the policy of giving a copy of this book to each new salesman, to make sure that he thoroughly comprehended the basic principles of accounting.

The Baker-Vawter Company, Benton Harbor, Mich., and the Burroughs Adding Machine Co., of Detroit, Mich., issue booklets emphasizing the broad scope and value in creative work of modern accounting methods. *Successful Banking*—one of the Baker-Vawter house organs—will enable the thinking, progressive accountant to keep strictly up to date.

"Works Administration," a twenty-eight page booklet of Gunn, Richards & Company, New York City, is a model piece of advertising matter for a professional house, as well as an exposition of accounting principles.

"Accounts—Their Construction and Interpretation—for Business Men and Students of Affairs," by William Morse Cole, A.M., Assistant Professor of Accounting in Harvard University (Houghton Mifflin Company, Boston), is an authoritative presentation of modern accounting in its scientific aspects.

The Ronald Press, New York, publishes "Applied Theory of Accounts," by P. J. Esquerre, C. P. A., which connects theory and practice for the man who wants to understand thoroughly the principles of accounting and how to apply them to practical problems. It first explains the features of partnership and corporate organization the accountant

should understand; the general theory of accounting; the single, double, triple, and quadruple entry systems; the form and anatomy of each of the financial books; the theory of controlling accounts, and the classification of accounts. The handling of each individual asset account and liability account is then taken up in detail, giving the "why" of each step, and finally the preparation of the different forms of balance sheets, the profit and loss account, statement of affairs, statement of realization and liquidation, etc., are explained in full.

CHAPTER XXVIII

THE ADVERTISING AGENCY

BENJAMIN FRANKLIN'S mother-in-law objected to him before he married her daughter because the business in which he was engaged was overdone—he was publishing a newspaper, and there were already six in America! Now there are 2,600 dailies, 15,097 weeklies, 2,491 monthlies, and 1,953 publications of various other kinds. Practically all of them sell advertising space.

The business of planning, preparing, placing, and checking copy, and buying and paying for advertising space involves an infinite amount of detail and a wide range of talent.

Nearly all retail stores buy space direct from the publisher, who may be represented by one or more advertising solicitors. It all depends upon the size of the field. In large establishments the advertising manager may write the copy. The owner of the store may attempt it. He may use copy writers proffered him by the publisher, or he may employ a "free lance" copy writer, who will, of course, have a number of other customers.

A mail-order house generally buys space through an agency. It either has its own copy men, or uses those assigned to it by the agency.

Foreign advertising is the local publisher's term for out-of-the-city advertising. The national or "foreign" advertiser usually places his business through an agency. These agencies furnish a service which varies greatly in scope and character. The successful advertiser must supplement in his own organization the service he needs but does not get from the agency.

To fully appreciate the progress the advertising agency has made read George P. Rowell's "Forty
The Early Days of the Agency Years an Advertising Agent," which tells of the early days when an agency was merely an office having a file of publishers' rate cards, files for papers, and a shipping department. The agent sold space at publishers' rates, forwarded the copy to the publisher, collected from the advertiser, and remitted to the publisher the proceeds less his commission. It was a valuable service then. Newspaper circulation and values were hard to get at. It was a service for publisher and advertiser.

In time, however, competition arrived. Publishers increased their commissions, and their rates had to go up accordingly. As publishers did not limit the number of representatives they might have, the number of agents increased rapidly, and their competition gave rise to many bad practices.

Commissions were split. The agent, sometimes honestly and sometimes not, adjusted his service to the compensation, accepting a lump sum for a list of publications, but making as much as possible out of the publisher by short payments, refusing to allow for alleged incorrect insertions and short measurements, and by payment in type, printers' rollers, and other kinds of merchandise instead of cash. This was "playing the game."

*The Era
of Split
Commissions and
"Agents'
Net Rates"*

Then came the era of the agent who took business at a certain percentage over net, and "agents' net rates" were commonly interpreted as the publisher's rate card less his regular agent's commission. The customer was billed at this rate plus 10 to 15 per cent. previously agreed upon. And the agent felt he was justified in keeping anything else he could get from the publisher.

This system irritated the publisher, who still had his troubles with short measurements, incorrect insertions not allowed for, and various other expensive deductions which so harassed him that he had no time to consider how he could best serve the advertiser. It kept him quite busy making sure he would get the money his orders indicated was due him.

Then came the epoch of agents who, realizing the value of the publisher's good-will and coöperation, specialized on some certain class of advertising, and got inside special rates from the publication most logically suited to carry

*The Lowest
Bidder
Secured the
Business*

it. This made it possible for him to underbid competitors when they were called in against him, and to make a very long profit when he had no competition. This practice further demoralized the advertising business. There was so much juggling of rates that strong publications employed special representatives, who saw to it that advertisers were informed of their circulation, prestige, and other good points, and made sure that their papers appeared on competitive lists.

The special agency idea was abused by a number of men who bought outright all the space in a group of papers, and then increased the rates. Or, because they had a few strong papers on their list, would induce the advertiser or his agent to take on the whole list by making apparent but not actual price concessions.

The fact that the advertising agency has survived all these schemes and questionable practices is a sincere tribute to the inherent power of advertising to make good, even when the odds are against it. It is also a tribute to the integrity and constructive ability of the men engaged in the business to-day. In spite of the fact that at times both agent and publisher have been doing business with the advertiser on a basis which almost *invited* an unfair deal, they have established their position—because they have made good with their customers.

Much might be said about the history and development of the advertising agency, but we can

take time only to consider the four definite types which are now in existence. In this count I am not including a variation now practically extinct—the man who merely clears business at a small advance on the net cost. He cannot make good any more, for most publishers either refuse to recognize him, or else give the service agent a so much lower flat rate that the “clearing agent” cannot deliver.

*Of Present-day
Agencies
There Are
Four Types*

There is the agency which sells copy service but does no placing. It may be one man, or a group of men. The charge is usually a fixed amount weekly or monthly. They handle none of the details of buying or contracting for space. Their methods are open and straightforward, and the copy is usually satisfactory and well worth what it costs. Their customers know exactly what they pay for and what they get.

*The Agency
That Sells
Copy
Service*

Type 2 is the agency which solicits and places business at *publishers' rates*, writes copy, and gives a certain amount of merchandising counsel. Most of the men who are doing business on this basis are honest, capable, and successful. But I think this system does not pay them, neither does it pay the publishers nor their customers. The customer

*The Agency
Which
Places
Business
at
Publishers'
Rates*

does not always know how much he is paying for agency service and how much for space. A weak publisher may secretly increase his commission to the agent, and the advertiser, because he is doing busi-

ness at publishers' rates, would not be informed of the change.

The agent himself often has a wrong conception of his proper relation to the customer and the publisher. He is apt to think it is the publisher's commission that gives him his status. He should know that it is the advertiser's money that pays for both the publisher's space and service.

Type 3 is the agency which *sells its service to the customer* on the basis of a charge of from 10 to 15 per cent. above net and then asks the publisher for a *commission for getting business for him* and for *protection against the advertiser* securing the same net price if he places his business direct.

The agent who charges publisher's rates is clearly and admittedly the publisher's representative, and naturally looks to him for protection. Such a man

*Agents of
Types 2
and 3
Cannot
Fully
Represent
the
Advertiser*

must cast his vote with the publishers in case of conflict. Most publishers recognize that the advertiser is entitled to a square deal, and they implant this thought in the minds of the agents who do business at publishers' rates. This is the only assurance the advertiser has of being well served by such an agency.

On the other hand, the agent who offers to charge a certain percentage above net, as guarantee that he will not allow himself to be influenced by any increased commissions offered him by the publisher, and then asks the publisher for larger commissions

(not lower rates) for “*protection*” against his own customer is carrying water on both shoulders and cannot represent anybody—not even himself—for any length of time.

This type of agent is in hot water continually.

If an agent is doing business at publishers' rates, he is clearly entitled to keep for himself any rebates, discounts, or free space (publishers do not generally offer these things to advertisers direct). If he is charging 10 to 15 per cent. above net, and at the same time asking the publisher for favors for himself,

*The Evils
of the
Agency
System
Which Does
Not Repre-
sent the
Advertiser* the publisher does not know whether the advertiser or the agent is entitled to favors an appreciative publisher can consistently grant. Such an agent cannot have a sound policy in relation to free space, special discounts, cash advances, bonuses on volume of space used within a certain time, and short-time rates which the customer may have paid to the agent but the agent has not paid to the publisher.

The type 3 agent must go as surely as the “placer” has gone. I believe the publishers' rate agent is to be with us for many years, perhaps permanently, because he is apt to specialize on a certain class of mediums, and to be a truly important business-getter for the publisher. If he is an honest and able man, and he usually is, his service is well worth what the advertiser pays for it.

A number of successful organizations have realized

the main features of type 4 in everyday practice so that I can safely say the type is well defined. It is an outgrowth of the organization idea. *The Highest Type of Agency Sells Service to Its Customers* It proves that coöperation and specialization develop a higher standard of service than can be attained by an individual, and that the advertiser will get more for his money if he takes advantage of its methods and adjusts his own organization to it.

Such an agency sells service, and nothing else. It should have no ownership interest in space or supplies it buys for its customers.

Its compensation should be a retainer fee, for advice and counsel and the relinquishment of any conflicting interests, plus a percentage on the amount of detail work handled or a specified amount per day for the actual work of its various members. *The Best System of Compensation* By far the most satisfactory system is a minimum yearly fee which is credited against a minimum 15 per cent. service charge to be added to the net amount of all purchases.

This organization has four definite functions. It can, if properly equipped and intelligently managed, take care of each of these better and more economically than the advertiser can.

The Four Definite Functions of the Advertising Agency of the Fourth Type

They are:

(1) *Counsel concerning mediums.* The organization which undertakes to advise for or against any advertising medium should have had constant successful experience in the

use of all kinds of mediums. A fully equipped agency organization should make money for small advertisers who use only one medium as well as for larger businesses which use several in combination. Its experience should cover newspapers, magazines, trade papers, mail-order papers, all class publications, street cars, electric signs, painted bulletins and walls, and all kinds of printed and lithographed matter, follow-up material, and novelties.

(2) *The buying power* of the type 4 agency is maintained at the highest point by refusing to accept for itself anything from publishers or space producers. I believe that the ideal organization must refuse to sell its service, under any circumstances, to publishers or space producers, or to any one else from whom it may buy for its customers.

The number of advertising mediums which have a fixed rate is small, though all the best ones do. A complicated rate card is a challenge to the trained space-buyer. Many mediums offer a net flat rate to large agency organizations, for the reason that they are wholesalers. Their customers are rebated the difference, of course. Where there is an opportunity for trading or dickering it is certainly advisable to employ a man who knows how to do it. It is quite generally conceded that the space-buyer for a large agency organization holds a very responsible position.

The type 4 agency buys outright, and pays for space in cash, which is important because it commands the best the space-seller has to give. The buy-

ing department of such an organization has nothing to consider save the actual value of the service available. It is, therefore, more apt to get a low price and collateral coöperation than the agency which asks the publisher for a commission and protection.

(3) *Copy service.* No matter how carefully mediums have been selected, or how economically space has been bought, the space is without value to the advertiser until it is filled with copy which will get the desired result. The copy staff of a successful organization must represent the picked men of a nation, working together harmoniously in confident coöperation with the advertiser's organization.

Sometimes, after the analysis has been finished and the selling points agreed upon in conference with the advertiser, one man writes all the copy. Sometimes several men work on a national campaign if there are several consumer groups as well as trade literature and selling helps to be taken care of.

(4) *Sales coöperation*, the most recent development of agency service, has been misunderstood in many places. *It is nothing more nor less than the merchandising of advertising itself.* It does not mean sales direction, nor the displacement of salesmen. Sales coöperation means getting more service from the publisher or space-producer, by convincing him that he can best entrench his own business by giving the advertiser more for his money. It makes the advertiser's salesman (who coöperates) more valuable to himself and to his principal.

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The very best salesmen make many calls which are non-productive. Anything which increases their sales as compared with the number of calls made enhances the value of their services without adding to their labor. Sales coöperation is the result of applying to selling methods the principles of scientific management. It is sharing with salesmen the responsibility of planning their work. Advertising does the missionary work and the salesman becomes an expert "closer" and business-builder.

Nowadays a banking corporation regards itself as the trustee of its depositors' money, and does not

*The
Advertising
Agent a
Trustee
of the
Customers'
Money*

loan money to any business in which its officials are interested. The same general principles should govern the conduct of an advertising organization.

The highest type of advertising service is offered by the organization which attracts as customers only those businesses which are acknowledged leaders in their respective lines, and then at all times regards them as a group of non-conflicting interests coöperating for their common good.

*The Agency
of the
Highest
Type Will
Advise
Against
Advertising
if Adver-
tiser Is Not
Ready
for It*

Such an organization will advise *against* advertising if conditions are unfavorable. It knows, how, when, and where, advertising should be done. It should be consulted long before the advertiser starts to plan about prices, distribution, the package, selling methods, and the instruction of salesmen about ways and means for cashing in on the advertising.

CHAPTER XXIX

HOW MUCH MORE CAN BE GIVEN THE CONSUMER?

IT WILL be time and money well spent if we can succeed in educating the public to an appreciation of the economies good advertising establishes and maintains in the products and distribution of things worth buying.

The more the consumer learns about what advertising means for him the more advertising itself will give him. The sooner the mind of the consumer accepts as an established fact that whenever he sees a thing advertised the advertising itself insures him a better value, in quality or quantity, or both, the sooner he will receive a greater share of the actual benefits of advertising.

When a man or woman appreciates that an advertisement is reducing the cost of distributing goods that are in every way desirable, there naturally will follow the realization that this reduction of the selling cost enlarges the purchasing power of the dollar.

The best way to illustrate the truth of the above assertions is to cite everyday things.

The Iowa hen produces more wealth each year than do the gold mines of California. Iowa's egg crop is worth more annually than all the oranges raised in the United States. But there is no money in raising chickens—as a business. An apparent paradox! As a “side line” poultry makes \$40,000,000 a year for the people of Iowa.

*The Iowa
Hen Is
a Paradox*

Labor-saving machinery, the tests of the chemical laboratory, and the stop-watch of the business engineer have enormously increased the quantity of production without adding to its cost. But on every hand we discover appalling waste in our distributive system. There can be no question that the time and energy now expended upon the distribution of merchandise can be made to yield the consumer much more than he now gets.

*Our
Wasteful
Distributive
System*

A recent merchandising audit revealed the fact that one-half of our garden truck goes to waste.

A method of changing this waste into saving for the consumer is suggested by consideration of the canning industry. The canner buys fruit and vegetables during the season of surplus at a profitable price to producer for a period during which supply is greatly in excess of the demand. He cans them, preserves them, makes jellies and jams of them. The consumer buys these fruits and vegetables in the winter, when the uncanned article is either almost prohibitive in cost or else not to be had at all, but he buys them at

a price based on the cost of the raw material during times of plenty.

It has also been found that it often costs more to distribute fresh fruits and vegetables than to get the same quality of them, canned, to the consumer. And the consumer has to remember always that he is the man who pays for distribution.

*Through
Advertising
the
Consumer
Gets
Luxuries
at the Price
of Necessi-
ties*

Scientific merchandising methods have developed a soap which is so good that it cannot be made better, yet it is delivered to the consumer for only five cents per cake.

All our big manufacturing plants are equipped for turning out many more of the comforts and luxuries of life than they are now making. The added operating expense would disappear in the newly created volume of business.

Many manufacturers would be glad to reduce their prices if they could be sure of getting larger volume by doing so. Many have attempted it.

*Scientific
Merchan-
dising
Benefits
Greatly
Both
Producer
and
Consumer*

Unless they had first developed scientific merchandising plans the price reduction often simply gave their merchandise the reputation of being less worthy of the consumer's confidence. The most successful manufacturers are those who have had care-

ful merchandising audits of their market possibilities made, and from them have evolved plans of distribution, based upon definite knowledge of actual conditions. The manufacturer who can re-

duce his price to the consumer and still have the consumer know that the quality of his product cannot have been changed is in the strongest possible position. He will greatly enlarge his market, because he brings what he has to sell within the purchasing power of a large number of people. But if he reduces his price to meet competition, neither he nor the consumer will benefit. Either the quality of the merchandise or of the service which gets it to the consumer must be impaired—if the original price was right.

Fortunately for the consumer, the heads of big business are realizing that the surest way to intrench the business which they have labored to build up and develop is to reduce the retail price of their product and the cost of the service which gets it to the final buyer. Profits often depend upon the possible saving in the cost of reaching the consuming group.

*When Big
Business
Men Com-
pete
Intelligently
in Advertis-
ing the
Consumer
Will Be Best
Served*

The waste in our present system of distribution is the measure of how much more he is now getting can be given the consumer by means of scientific advertising and distribution.

My father tells me that as a boy he read every book he could borrow in the Iowa county in which he lived. To-day newspapers, general magazines, technical and class periodicals and public libraries make it possible for all of us to have all the reading matter we want of every kind. What publishers have done and are

doing for us other manufacturers will do, and we shall have the benefit. Misapplied energy is the biggest single waste item in our present industrial system. We see it all about us—in our stores especially, and in the time so many young men waste in getting started upon business careers.

The cost of all the wastes in our productive and distributive system is borne by the consumer. If the greatest waste is misdirected energy on the part of the everyday worker then the men who create a market for regular, steady, well-paid labor are increasing the number of satisfactions for the great mass of consumers. The manufacturers who develop demand for their products by advertising are doing more than any others to raise the standards in the labor market.

Through advertising our big manufacturers are creating their own groups of consumers. These manufacturers hold their supremacy by giving to their consumers the advantages of the better quality or lower prices which are possible only with an enlarged and a stable market. Hence in buying the goods offered by the advertising manufacturer the consumer is always acting in line with his own best interests. He is adding his own influence to the mighty forces which are creating for him a greater number of satisfactions than his daily earning power could otherwise command.

To say that in ten years the masses will have twice

*Misapplied
Energy Is
the Greatest
Economic
Waste*

as many bathtubs, books, musical instruments, comfortable sanitary heating systems, sleeping porches, telephones, electric lights, and labor-saving kitchen devices as they now possess is to speak conservatively.

Modern advertising is certainly increasing the number of luxuries and comforts that the day laborer is

to command. By reason of the further progress that is sure to be made in scientific methods of production and distribution *the laborer's dollar will buy twice as much* *ten years from now as it does to-day.* He

will be able to live 100 per cent. better than he is living now, because scientific advertising will educate the laborer to appreciate better things. Scientific advertising will also enable the manufacturer to deliver his products to the laboring man at prices he can afford to pay for them.

We can well believe this when we consider what has been done in the past decade in eliminating waste in production and distribution.

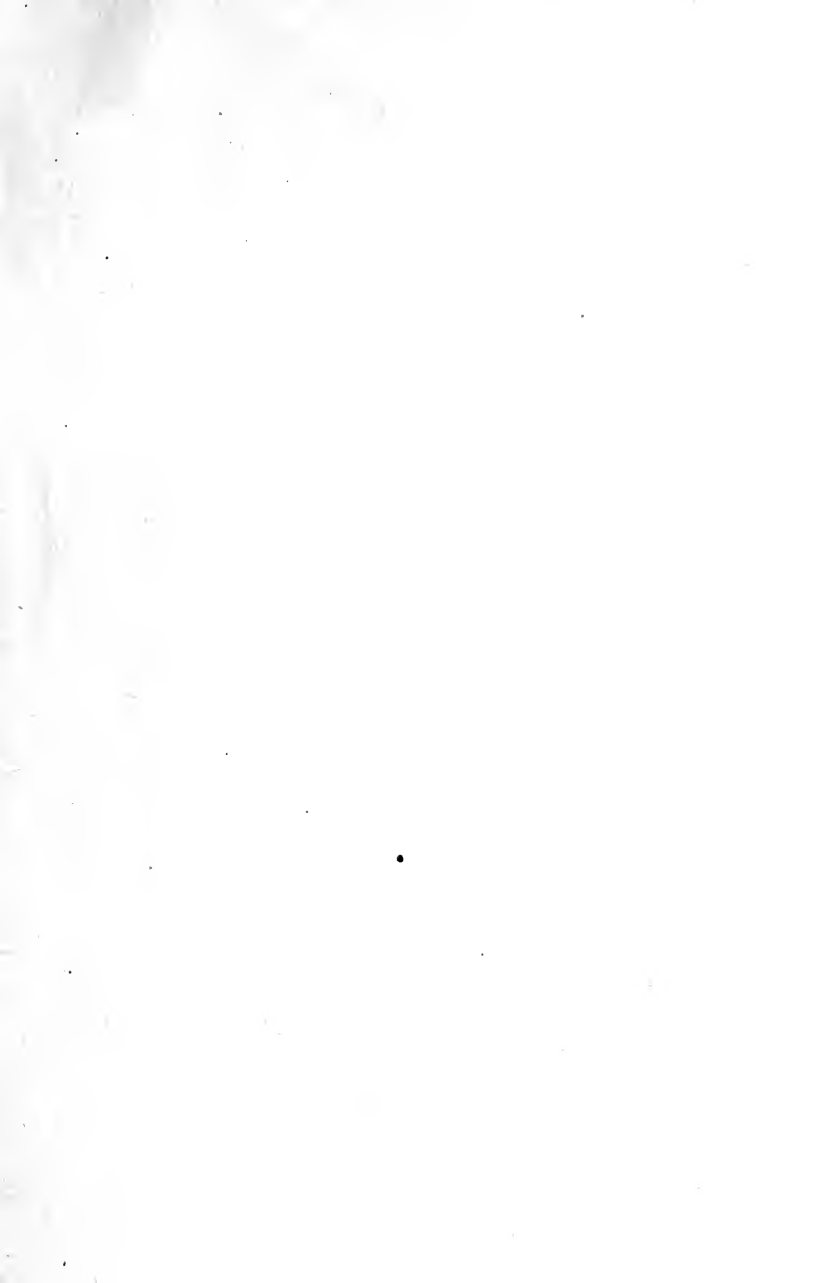
Advertising cannot benefit the advertiser if it does not serve the consumer.

The more the consumer realizes this the more his dollar will buy for him and his family.

The growth of this conviction is so widespread that I am safe in affirming that the consumer's increasing confidence in and intelligent appreciation of good advertising gives to the progressive manufacturer his greatest present opportunity.

THE END

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